THE UNITED REPUBLIC OF TANZANIA

THE ANNUAL PLAN

FOR

1972/73

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THE ANNUAL PLAN 1972/73

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PREFACE

This is the Third Annual Plan to be prepared in Tanzania since the Second Five-Year Development Plan was lauched in July 1969. In addition, it is the Second Annual Plan to be published as a separate document.

As in the 1971/72, a comprehensive Finance and Credit Plan for the public sector and a Foreign Exchange Plan are incorporated to help to ensure that the national financial resources are utilized on priority projects, particularly those designed to increase production in the various economic sectors.

In addition to presenting the capital expenditure programme of the Government and its Parastatals, this Annual Plan outlines some of the major development issues which are to be tackled during 1972/73, including an indicative programme for future planning in the various sectors. As in previous Annual Plans, this document presents the Government's views and decisions.

Finally, we are inviting readers to use this document in conjunction with both the "Economic Survey, 1971/72" and the "Mid-Plan Review", both of which have set the pace, as it were, and have influenced considerably the decisions on the final contents of this 1972/73 Annual Plan.

W. K. CHAGULA,
Minister for Economic Affairs and
Development Planning

PART I

PERFORMANCE IN 1971/1972

(a) The State of the Economy—1971/72

During the year Tanzania enjoyed a significant number of positive economic indicators. For example there have been moderately real growth rates; rising private monetary consumption, reasonable price stability and moderately growing national savings as proportion of disposable income. The Annual Plan for 1971/72 predicted a growth in the total supply of goods and services in the 1971 economy of 4 per cent to 5 per cent in real terms, or 5 per cent to 6 per cent in current prices. This expected overall result was successfully achieved, with real growth at about 4·5 per cent or 5·9 per cent in current prices. Wage employment showed a large increase.

When examined carefully, a review of the experience of 1971 carries several important lessons for future policy. For example, while overall growth was satisfactory, its origins differed from expectation. Agricultural output declined because of indifferent weather and several organizational difficulties. Manufacturing output rose less than expected as some factories were late in starting up. The real surge came from construction activities resulting from the investment boom; from the provision of government services and utilities like education, health, water, power and administration, and from transportation storage and communications. Diamond sales showed a welcome revival too.

Particularly spectacular during the year was the rise in investment to the record level of no less than 38·5 per cent of monetary G.D.P., reflecting splendid progress on the Tanzam Railway which accounted for just over half of the increase in investment. The rest of the increase in investment is on account of a number of parastatal projects especially in industries and the East African Community Corporations' investments in ports, railways and posts and telecommunications. In addition, stocks increased by Shs. 100 million more than in the previous year. Government investment probably declined slightly, but continued progress was recorded in the provision of new roads, rural water supplies, primary and secondary education, and health facilities. These have considerably improved the quality of life in the rural areas.

On the external side, exports rose by 7·2 per cent. This increase is mainly due to the surge in diamond exports as there was no growth in agricultural exports taken as a whole. However, exports to East Africa rose by 28·8 per cent to a record high level of Shs. 190 million. Imports, on the other hand, rose by 18 per cent but the bulk of the increase was covered by the increased disbursements for the TAZARA Railway project of some Shs. 330 million. Imports were thus held in check rather successfuly in 1971 and the reserves would have risen, instead of falling by Shs. 35 million, had exports been more buoyant.

The financial and monetary policy was largely successful and the decline in reserves was slowed down as a result of the budgetary and credit restraints, including exchange control measures. Expenditure by Government and parastatals, which had, by 1970, begun to exceed the resources available and had imposed certain strains on the economy, is now being held back and thus there will be little increase in investment for the next two years.

Other main developments, which represent organizational advance rather than investment, include the further increase in the number of Ujamaa Villages at various stages of development to over 4,400, containing about 11·5 per cent of the total population, the design of a decentralized system for giving the Regions and Districts much of the responsibility for rural development, to be implemented in 1972/73, and further consolidation and expansion of a number of people's institutions, as outlined in Part (d) below. Thus, 1971/72 was a year of generally successful advance towards the goals of the Second Five-Year Development Plan.

But there were a number of less favourable indicators also. The output trends, taken with the persistently low rate of growth in agriculture in recent years, cannot be regarded as altogether healthy or in tune with governments' intentions. The development of the country depends on the development of agriculture, and rural living standards cannot show much improvement if agricultural output rises only slowly. Also, the record growth in wage employment and in wages paid during 1971 showed that the urban worker moved ahead faster than his rural counterpart.

The boom in the construction sector wholly reflected the push given to investment by the record increase in disbursements of external finance. The growth in the transport and storage sectors represented a genuine increase in the quantities of goods moved, but it also reflected the costs of handling the large stocks which have been built up in the trade sector. Manufacturing industry made a substantial contribution to overall growth but it was still far below the plan target. On balance, the growth of the economy in 1971 was not firmly based on buoyancy in agriculture or industry but came from tertiary industries which serve these basic sectors.

Looking forward, existing organizations must improve their efficiency. The challenge of socialization is not just to operate existing operations but to improve their efficiency so as to benefit the economy. Parastatal organizations must generate enough savings that in the past accumulated mainly in the private sector but which now must be sought mainly from the parastatals. They must declare dividends to their shareholders and at the same time plough back some of their savings in accordance with national priority.

As in 1971/72, efforts must be continued to rectify the urban/rural balance of the development efforts. A start has already been made with the decentralization measures and it should be continued.

In order to increase the viability of our foreign exchange position and to improve the rate of growth of the economy, we must restrict imports (mainly luxury imports) and we must improve our export capacity as a matter of priority. To achieve this, priorities and targets must be set. All organizations involved in exports must work for the achievement of specific export targets and if there are any obstacles, these should be removed.

Related to this, production planning as opposed to investment planning must be given emphasis not only in export oriented industries but in all productive sectors.

(b) Progress of the Development Effort

The pattern of development expenditure is shown in the following table below.

The trend with respect to transfers to parastatals is now levelling off from the drastic increase of about Shs. 100 million from 1969/70's Shs. 127 million to 1970's Shs. 211 million during the following year. This is resulting from the completion, or near completion of a number of big investment projects like the fertilizer plant, hotels and agricultural projects.

The infrastructural programme is similarly levelling off with the completion of the Kilimanjaro International Airport, the near completion of the Dar es Salaam/Tunduma Road. The TAZARA Railway construction programme will, however, keep investment in the basic infrastructure high for another two years or so.

Education is continuing its progress in the IDA financed Secondary School programme.

The Ministerial productive programme under Agriculture and Natural Resources programme has, in expenditure terms, been declining since 1969/70. This has in part been due to the delay in the implementation of the tea, tobacco and livestock programmes resulting from delay in securing external finance. The tea and tobacco programmes external finance has now been secured and the livestock programme is likely to secure finance during 1972/73. This will lead to increased level of expenditure on these productive programmes.

THE PATTERN OF DEVELOPMENT EXPENDITURE

Table 1

(Shillings Million)

Ministries	Development Expenditure by Main Ministries				1971/72 Estimated Actual
	1965/66 Actual	1968/69 Actual	1969/70 Actual	1970/71 Actual	
Comworks	50	231	188	225	192
Landsurvey	42	56	40	21	8
Education	44	8	32	47	59
Health	3	19	10	16	6
Defence and Home Affairs ...	17	27	63	91	148
Agriculture and Natural Resources	17	38	80	77	59
Regional Administration ...	5	29	28	40	39
Others	42	5	20	43	90
Transfer to Parastatals ...	10	48	149	248	209
Total ...	230	461	610	828	810
Actual Expenditure as % of original Estimates	51%	105%	89%	86%	100%

Expenditure in 1971/72, compared with the original estimates is shown in the table below.

E::penditure performance has further increased and all the budgeted funds are expected to be utilized during 1971/72 financial year.

Disbursements to parastatals are now, like to the Ministries, made on a project by project basis, depending on implementation progress for each quarter of the year.

Ministries and parastatals continue to submit quarterly implementation reports (though in some cases there have been delays in submissions). Admittedly, the reports are essentially geared to expenditure performance and not on physicial targets. In the case of a number of ministerial projects, it is difficult to report on physical performance as the projects are widespread in different areas of the country.

MINISTRIES EXPENDITURE AS PERCENTAGE OF ESTIMATES 1971/72

Table 2

(Million Shillings)

Ministry	Original Estimates (1)	Estimated Actual (2)	2 as a % (1)
Central Establishments	17·4	9·3	53
Maendeleo	34·6	39·1	113
Foreign	0·2	0·3	150
Defence, Vijana and Home Affairs	151·2	150·0	99
Judiciary	0·7	0·7	100
Kilimo	31·4	34·5	110
Uchumi	5·4	3·5	64
Elimu	59·0	59·6	100
Mincom	10·6	10·7	101
Comworks	202·0	192·2	95
Ardhi	12·0	8·3	69
Finance	—	—	—
Afya	7·7	6·1	79
Maelezo	4·7	5·7	121
Maliasili	20·3	23·6	116
Water	66·1	57·9	88
Sub-Total ...	623·3	601·5	97
Transfer to Parastatals	192·3	208·6	108
TOTAL ...	815·6	810·1	99

(c) Implementation of the Finance and Credit and Foreign Exchange Plans in 1971/72

These Plans were introduced in 1971/72 and are the basic tools of short to medium run macro-economic policy. They are being gradually expanded in scope, as the economy's need for more precise management increases.

Given the nature of the Tanzanian economy, such plans are in part forecasts—for example we cannot plan precisely for export products whose output depends on weather. Nor do the plans seek to control every element they predict; intermediate good imports for example are determined mainly by manufacturers' needs. The main tools used to implement these plans are in fact limited to:—

(a) Money supply, as determined by the volume of deficit financing (and thus, by implication government revenue and expenditure);

(b) The allocation of available banking system credit between government and other users;

(c) The allocation within the "other users" category that gives priorities to exports and agriculture, with specific ceiling for major domestic users;

(d) Allocation of resources of non-bank financial institutions to agreed uses;

(e) Control over inter-company lending;

(f) Control over foreign short and long-term borrowing;

(g) Comprehensive exchange control on invisible transactions;

(h) Firm import control over consumer goods and certain other import categories; and

(i) Control over repatriation of export proceeds.

(i) The Finance and Credit Plan

The main indicators of performance under the 1971/72 plan, and the results achieved, were as follows:—

(Shs. million)	Planned	Likely Outcome	Difference
Recurrent budget surpluses ...	101 ...	51 ...	—50
Govt. borrowing—non bank ...	130 ...	126 ...	—4
Govt. borrowing—bank	150 ...	210—260 ...	+60 to +110
Foreign Grants and Loans ...	374 ...	330 ...	—44
Change in Bank Order (non Govt. domestic	90 ...	180 ...	+90
Money Supply increase	10% ...	18% ...	—

Despite another excellent revenue performance, the recurrent budget surpluses fell below target because of recurrent expenditures, in excess of the ceilings, for a wide veriety of public services which reflect past investment in schools, hospitals, etc. Capital expenditure was on target, but disbursements of external finance, while a record, fell slightly below expectations. The overall result is that government borrowing from the banking system may be about Shs. 60–110 million above target–but Shs. 54–104 million below the 1970/71 level. So that there was an improvement in 1971/72 compared with 1970/71, but not as much as was planned.

Bank credit to other sectors of the economy, despite strong restraints, is expected to rise about 90 million above target in order to finance an unexpected build-up of stocks, notably of agricultural commodities held by the co-operatives and Boards. The overall result of breaking through the ceiling was that money supply grew by 18 per cent rather than 10 per cent planned.

(ii) The Foreign Exchange Plan

To implement the foreign exchange plan for 1971/72 a number of steps were taken during the latter part of 1971. These included, among others initial setting up of specific export targets and asking export boards and organizations achieve these targets, streamlining of import licencing, working out commodity import ceiling, restrictions on car ownership, rationalization of import policy in respect of non-essential consumer goods etc. The impact of these measures was not felt in 1971 but is now showing positive results since the beginning of this year.

Balance of Payments data is not yet available for fiscal year 1971/72, but provisional estimates are available for calender 1971. The data is thus not exactly comparable. The main results for the mainland are as follows:—

Shs. million	Expected (July, 71-June, 72)	Provisional Actual (Jan., 71-Dec. 71
Export	1,785* ...	1,780*
Imports (excl. TAZARA)	1,860* ...	1,997*
Imports (incld. TAZARA)	2,180 ...	2,618
Gross Foreign Loan receipts (excld. TAZARA) ...	326 ...	188 to3 30
Reserve change	+70 ...	—36

The shortfall of Shs. 36 million in reserves was caused by a considerably more bouyancy in imports (excluding TAZARA which was wholly externally financed) in all categories; shortfall in disbursements of official foreign loans up to December, 1971 (disbursements have now started picking up), and a number of capital export transactions. Since the end of 1971 reserves have recovered as delayed export earnings were received and as the import control measures described above began to take effect. The basic situation, through, is one that will require careful management in 1972/73.

(d) Development in Institutions, Planning and Control

The Annual Plan for 1971/72 intended (pp. 75–76) that the year be one of consolidation, especially in existing public institutions, and that their management and operations be improved. Plans to evolve a decenuralized regional planning system were also to be worked out during the year.

*Using Customs valuation of diamonds sales of exports.

These objectives were broadly achieved. In the parastatal sector, no new parastatal organizations were created in 1971/72 but several re-organizations took place. The parastatals in the building and construction field, now MECCO and NEDCO, were re-organized and placed under Comworks. The Registrar of Buildings set up an Office for the rental and maintenance of acquired properties.The Tobacco Board is being re-organized into an Authority. Plans were worked out for:

(a) the restructuring and decentralization of the State Trading Corporation;

(b) for the consolidation of the various Agricultural Boards into two Corporations—one to deal primarily with export commodities and the other with internally consumed products;

(c) for a Liverstock Marketing Company;

(d) for a new Mineral Development Parastatal; and

(e) the new public financial institutions—T.I.B. and T.R.D.B. swiftly stepped up their operations and plans were worked out for a new Housing Bank.

The need to regulate the use of foreign exchange and domestic credit continued throughout the year, and the Bank of Tanzania together with the N.B.C. had to assume the bulk of the work of operating the necessary controls. Import Control was added to their expanding exchange control functions; efforts have been made to ensure that new import regulations caused no difficulties for legitimate users of foreign exchange. The foreign exchange and finance and credit plans provided a broad framework within which the Bank operated. Arrangements are in hand to give the Bank new tools to effect the rapid and full repatriation of export proceeds.

There were no significa... changes in the planning machinery of the government during the year, although major changes following decentralisation are imminent as is discussed below in Chapter IV. The main piece of planning work undertaken during the year was the "Mid-Term Review of the Second Five-Year Plan". The Review served also as the "Guidelines" to the 1972/73 Annual Plan. The Review made a number of recommendations on the planning machinery, including:

(i) The introduction of two-year rolling plans;

(ii) improving control over foreign aided projects and parastatal projects;

(iii) the use of specific physical objectives as planning tools, especially production and export objectives;

(iv) the devotion of more resources to recurrent expenditure planning.

There has so far been modest progress towards the first three of those objectives. Various aspects of the organization of the central ministries are now under further review.

In effect the main characteristic of the second half of 1971/72, instead of the usual institution changes, has been the rapid reassignment of many senior personnel following the government re-organization of February, 1972, and the new appointments to Regional and District Headquarters in preparation for decentralization in July 1972. This turn-over provides a strong argument in support of a further period of consolidation so that full efforts can be devoted to making the latest additions to our socialist institutions work effectively.

(e) Implications for the 1972/73 and 1973/74 Period

The Tanzanian economy has the advantages and the limitations of the extensive links with nearby countries in Africa, and with the rest of the world. We exported in 1971 over 25 per cent of the goods and services we produced and imported around 32 per cent of what we used for in investment and consumption. The difference between the two, (about 7 per cent of G.D.P. or 25 per cent of investment) is the net flow of foreign loans, grants, etc. to Tanzania. This degree of openness to the rest of the world means that the economy has to be run within the limitations imposed by the balance of external payments.

Today, we face the problem of a sluggish growth in exports, and a priority goal over the coming two Annual Plan periods will be to break out of this trend. Most of our immediate export possibilities are agricultural, which is fortunate because success in exporting will simultaneously achieve the goal of raising rural incomes.

The second implication is that the total activity in the country must not create demands for imports in excess of our capacity to pay for them by exports, or by using external finance. The level of the latter has now achieved high proportions which requires watching carefully. Over half the 1972/73 development budget is externally financed compared with 40 per cent envisaged over the Second Plan Period as a whole, although parastatals are borrowing less from abroad than intended. Thus import growth is now effectively constrained by export growth.

In practice, when translated into public finance terms, this means that likely government investment (excluding Tazara local costs) in 1972/73 and 1973/74 is likely to be about Shs. 978 million and about Shs. 936 million respectively. Moreover, since the recurrent expenditure on providing health, education, water and other services is raising faster than total output and tax revenues, additional resources will be required for these purposes. Given the import controls and other supply constraints, additions to money supply much in excess of 10 per cent—12 per cent, using deficit financing, would only accelerate the present rate of price increases. Keeping Urban prices and wages in check is important if the rural producer is not to become relatively worse off, because of rising prices of the goods he buys.

Thirdly, the best way to increase output and export growth is to get better results from investments that have already been made and institutions already created. This will come, in effect, from thousands of individual decisions to help improve the efficiency and management of government and parastatal projects. Key indicators of costs, profitability and performance will be monitored, such as stock/sales ratios in the trade sector, marketing margins, agricultural yields, livestock off take rates, the returns from extension work, and so on, in the pursuit of greater efficiency.

Lastly, efforts must be made to direct the uncommitted funds in the 1973/74 budget, in accordance with TANU priorities, and towards directly productive, export—oriented, low capital and import-content projects. Within the infrastructure sectors, the least capital-intensive projects will warrant priority. Looking at the productive achievements in Tanzania since independence, *it is clear that the economy has been carried forward mainly on the backs of the rural producers, and not so much from the so-called modern sectors that have absorbed so much investment.* The decentralization measures to be implemented in 1972/73 will effectively shift the balance of the development effort back to the rural areas, which have both the greater needs as well as the greater immediate potential.

Decentralizing responsibility for rural development is intended also to change the source of planning initiatives. Such initiatives are expected in future to come primarily from the District and Regional Administrations, who will prepare their plans with full participation by the people and their local representatives. To help this process, the new administrations are being strengthened by the posting of additional able personnel, many of whom hitherto held key positions in central ministries. This will enable planning and especially the Third Plan, to be firmly based on local plans.

The new system will take time to come into full operations; also, the process of getting full local participation is itself time-consuming. For these reasons, it has been decided that work on preparing the Third Five-Year Development Plan will start in early 1973, allowing a year from now for the new system to become effective, so the preparation of the Third Plan itself will be completed in early 1975. The plan will thus cover the period 1st July, 1975 to 30th June, 1980. An additional Annual Plan, extending the basic policies and objectives of the Second plan, will be prepared for the 1974/75 period.

The process of public participation in planning will further be extended by the establishment of a Planning Commission, to which Devplan will be secretariat. The Planning Commission, will be broadly representative; it will review papers by a number of working parties, will study sectoral, regional, and national objectives, priorities and programmes. Important issues that emerge from the work of the Commission will be brought to the government and the National Executive Committee of TANU for decision.

PART II

THE PLAN FRAMEWORK 197-

(a) The Outlook for 1972/73

After slowing down in 1971 due to the poor performance of the agricutural s... is expected to accelerate again in 1972. An increase of 8—9 per cent in monetar... current prices is projected which implies an increase of 6·5—7·5 per cent in total GDP. recovery in the agricultural sector will make a major contribution to increased output wh... the heavy investment which has taken place in recent years in other sectors such as Manufacturing and Public Utilities should now start to bear fruit and the Tazara construction work will continue to be an important item until 1974. Marketed agricutural output should rise by about 6 per cent due to increased production of export crops such as cotton, tobacco and tea as well as the food crop and marketing problems in the livestock sector should be ironed out leading to a higher off take. The output of the manufacturing sector is expected to expand by at least 10 per cent as the new projects which have been implemented in recent years start to contribute to production. The construction sector will decline as the present investment boom eases off but Public Utilities should continue to grow by about 12 per cent. Trade and transport will continue to expand to meet the needs of the growing economy and the tourist industry and a growth rate of 10 per cent is anticipated in each of these sectors. The growth rate of administration is expected to fall to 9 per cent as Government recurrent expenditure is restricted. Finally, the finance sector must continue to expand up by 12 per cent as the economy becomes increasingly monetized. As in recent years, it is the tertiary sector, which is generally urban-based, which is expected to account for the largest part of the expected growth and this cannot be regarded as a healthy prospect unless it results from buoyant growth in the primary and secondary sectors.

Total investment in the economy has reached an increasingly high level and is expected to decline somewhat in 1972 and 1973. The Government Development Budget is expected to grow slightly over the next two years. Capital formation by ministries will probably remain constant but parastatal investment will decline after the recent period of very rapid expansion. Within this overall limit expenditure will increasingly be directed towards the three priority areas—Health, Education and Water. Despite the large increase in development expenditure, fewer projects are being implemented thus continuing the trend towards larger projects, many of which are largely foreign-financed. The large investment in infrastructure, and particularly in communications, has been a major cause of this and it is expected that infrastructural investments will fall off in the next few years. It is intended that the decentralization measures should lead to faster implementation of a larger number of small-scale, directly-productive and low-cost projects which will have a large effect on output relative to the investment required. The stabilising or slowing down of investment coupled with a relatively constant new foreign capital inflow will release more domestic resources for consumption.

The low rate of growth in the primary sector will mean that exports of goods cannot increase by more than about 5 per cent but earnings on services, e.g. transportation and tourism, should rise much more rapidly. Imports of capital goods will decline somewhat but imports of intermediate goods will continue to rise rapidly, thus all non-essential imports will have to be squeezed in order to keep the total import bill down. Net Foreign capital inflow (excluding Tazara) is expected to remain at roughly that of the present level in the next two years and the external reserves will be slowly built up again. Domestic sources of finance cannot grow much faster than total monetary output in the economy and the growth of Government expenditure will be limited by this constraint. Lending by the Banking System will also be restricted in order to bring down the growth in money supply to 10—12 per cent which is probably a sustainable rate in the long-run.

The major issue in 1972/73 will be the implementation of the government's decentralization programme which will require major changes in the traditional structure of government. It is intended that the new regional officials should think and act in terms of development and not in terms of administration on the traditional civil service lines. Also the staff remaining

in the Headquarters of Ministries directly affected by the decentralization measures will have a different job to do than previously. Instead of trying to control every detail, they will have to prepare general Guidelines, and answer requests for help from Regions and Districts. In order to make local control a reality the present system of financial control must be changed and details of the new system are still being worked out. The transfer of decision-making to the Regions and Districts must not also mean a transfer of a rigid and bureaucratic system from Dar es Salaam to lower levels. Thus the spirit of Mwongozo must permeate the entire implementation and operation of decentralization.

(b) The Finance and Credit Plan

Like last year, the Finance and Cerdit Plan 1972/73 also aims at maintaining the balance between public sector investment and available resources. The main tools for achieving this balance are Government revenues and expenditures, internal and external borrowing, external balance and reserves, and domestic credit and money supply. The twin objective of growth with stability has to be attempted by a judicious allocation of available resources to This will call for greater degree of co-ordination and control over the of funds of parastatals, bank and non-Bank financial institutions and the private framing the estimates for 1972/73, the plan has attempted to cover all the major in es and uses of the funds. On the basis of the past performance and considering 1972/73, it is estimated that monetary GDP would grow around 8—9 per cent.

Finance of Government

The overall financial resou to the Government, both internal and external, are estimated at Shs. 978 million. The trend in Government finances since 1969/70 and estimates for 1972/73 and given below:

Table 3.

	1969/70 Actuals	1970/71 Actuals	1971/72 Likely Actuals	1972/73 Estimates	1973/74 Estimates
I. *Recurrent Budget:*					
1. Revenues	1,577	1,683	1,875	2,045	2,237
2. Recurrent Expenditure	—1,527	—1,631	—1,824	—1,990	—2,145
3. Surplus	+50	+52	+51.	+55	+92
II. *Development Budget:*					
1. Sources of Funds:—					
1·1 Surplus in recurrent budget	50	52	51	55	92
1·2 Non-bank domestic borrowing... ...	125	143	126	160	165
1·3 Government borrowing from Banking System... ...	252	314	210—270	195	195
1·4 Other internal grants ...	62	50	23	27	30
Total Domestic Sources ...	489	559	410—470	437	482
1·5 External loans and grants ...	122	270	330	541	454
Total Resources	611	829	740—800	978	936
2. Uses of Funds:—					
2·1 Development Expenditure:					
(a) Central Govt. (including EAC) ...	464	576	565—600	640	653
(b) Transfer to Parastatals ...	147	253	175—200	338	283
(c) Total Expenditure	611	829	740—800	978	936
Tazara Local cost (financed out of commodity credit)	20	60	150	193	200
Total Expenditure including Tazara	631	889	890—950	1,171	1,136

Surplus in Recurrent Budget

Despite a substantial growth in recurrent revenues, recurrent budget surplus has not improved much because of rising recurrent expenditures, which, in fact, reflect the growing investments in schools, hospitals, roads, and other social services.

The surplus in recurrent budget for 1972/73 is estimated at Shs. 55 million. The estimate is based on the following assumptions.

(a) That Recurrent revenues will grow at around 9—10 per cent.

(b) That Recurrent expenditure—supply votes—will be contained at 9 per cent.

The normal growth in revenues of around 9 per cent would be easily realised provided the monetary GDP at current market prices grows at about the same rate.

Non-Bank Domestic Borrowing

The role of non-banking financial institutions in mobilising savings and channelling them for investment in government paper can hardly be over emphasised. The past data shows fluctuations in the growth of such investments but no doubt, the future set up and the defined role of various financial institutions will help in increasing such investments in the coming years.

The table below summarises the main trend in investment in government stock since 1969/70 and estimates for 1972/73 and 1973/74.

HOLDERS OF GOVERNMENT STOCK

NON-BANKING SECTOR

Table 4

	1969/70 Actual	1970/71 Actual	1971/72 Original Estimates	1971/72 Likely Actual	1972/73 Est.	1973/74 Est.
Insurance Company:						
N.I.C.	16·2	10·7	9·0	7·5	20·0	22·0
Others...	—	2·1	2·5	2·0	2·5	2·5
Provident Funds:						
N.P.F....	66·7	67·0	75·0	75·0	83·0	90·0
Other P.F. (Government and Local Government) ...	11·4	11·7	7·0	13·5	15·0	15·0
Other Sources:						
Sinking Funds (Government + L. and S.M.B.)... ...	27·4	34·5	21·3	21·3	20·0	21·0
E.A.C. (P.O.S.B.)		5·4	6·0	2·0	5·5	5·5
Companies and Corporations	46·2	9·7	4·0	—	8·0	3·0
Others		2·4	5·3	5·3	6·0	6·0
Total ...	167·9	143·5	130·1	126·6	160·0	165·0

The investment in Government stock is estimated at Shs. 160 million in 1972/73 as compared to Shs. 127 million estimated for 1971/72. The increase in 1972/73 is mainly accounted for by N.I.C. and N.P.F. It is expected that with the completion of the existing building programmes of N.I.C., larger funds would become available for investment in Government stock. The increase in N.P.F.'s investment is based on the existing trend. Among other parastatals and their subsidiaries, N.A.P.B. will be able to invest Shs. 5 million out if its surplus resources next year.

Government Borrowing from the Banking System

Government borrowings, from the banking system has risen sharply during 1969/70 and 1970/71. In 1971/72 as well, the increase will be above the original target, although the total increase will be below 1970/71 level. As for 1972/73, it is planned to limit such borrowing to Shs. 195 million—Shs. 95 million through N.B.C.'s investment in Government stock and the remaining Shs. 100 million through the purchase of Treasury Bills by the Bank of Tanzania.

External Sources

Total external aid for 1972/73 is estimated at Shs. 541 million. This represents 55·4 per cent of total resources. These amounts are supported by the programmes included in the Annual Plan for 1972/73.

Parastatal Investment

Total transfer from Development budget to parastatals (other than Tazara) is estimated at Shs. 331 million while the total capital expenditure is Shs. 410 million. Including Tazara expenditure, total parastatal investment programme for 1972/73 is expected to be Shs. 609 million.

Money Supply and Credit Allocation

1972/73 Credit Plan aims at restricting credit expansion by the banking system so that the resulting monetary expansion will be about Shs. 340 million or about 12 per cent over 1971/72. This takes into account addition to reserves of about Shs. 60 million. Assuming that the monetary GDP at current market prices does increase by about 9 per cent per year, it is considered that the above rate of growth in money supply will be sustained without any excessive inflation or much strain on the balance of payments.

The total bank deposits are expected to rise by about 220 million or by about 12 per cent while the increase in commercial bank lending to domestic sector (other than government) is estimated at Shs. 100 million.

(c) The Foreign Exchange Plan

The Foreign Exchange Plan for 1972/73 as finally drawn up has been prepared with a vieu to bringing about better balance on the country's foreign exchange front. It is expecte dtha if the necessary policy measures are taken, execution of the foreign exchange plan should result in a modest improvement in reserves during 1972/73. The detailed estimates of exports and other earnings, imports and related payments, and other invisible and capital movements are given below. The necessary measures being contemplated for implementation of foreign exchange plan are discussed briefly.

Export Earnings

Export earnings in Tanzania during 1971 were Shs. 1,985 million. This shows an increase of 7·2 per cent in country's exports. On the basis of the outlook of likely production and foreign demand for major export commodities, export earnings in 1972/73 (July—June) are estimated at Shs. 2,074 million. Compared to actual exports in January—December, 1971 this will imply an increase of 4·5 per cent in the country's exports. Commodity-wise position for major items is shown in the following table.

ESTIMATED VALUE OF DOMESTIC EXPORTS: TANZANIA 1972/73

Table 5 (Value: Shs. million)

Category	1970	1971	1972/73 (July/June)
1. Coffee	312	221	250
2. Cotton (Raw)	247	217	290
3. Sisal	179	136	160
4. Diamonds	161	217	150
5. Tea	42	48	54
6. Tobacco (unmanufactured)	45	40	53

Source:

Actual figures based on Annual Trade Report for 1970 and Trade and Revenue report for January—November, 1971.

Import Payments

Total imports into Tanzania during January—December, 1971 amounted to Shs. 2.618 million as compared to Shs. 2,224 million during January—December, 1970, showing a rise of about 18 per cent.

The major increases during 1971 were registered in respect of capital goods i.e. machinery and transport equipment. Imports of all these for Mainland increased to Shs. 945 million as compared to Shs. 779 million during January—December, 1970. Also imports of intermediate goods rose sharply from Shs. 635 million in 1970 to Shs. 809 million in 1971.

In 1972/73 (July—June) total imports including those for TAZARA are estimated at Shs. 2,540 million as compared to Shs. 2,618 million during 1971. Imports of intermediate goods which had risen sharply during 1970 and 1971 are expected to show a rise of 10 per cent in 1972/73 to meet rising levels of activity in the economy. Imports of capital goods (excluding transport equipment) are expected to show a fall of Shs. 50 million mainly as a result of reduction in imports of equipment for TAZARA construction works. Imports of transport equipment are expected to show a small decline in 1972/73. Estimates in respect of different categories of imports is shown in the following table.

ESTIMATES OF VALUE OF IMPORTS OF ECONOMIC CATEGORIES FOR 1972/1973: TANZANIA(a)

Table 6 (Value: Shs. million

Category	1970 (Jan./Dec.)	1971 (Jan./Dec.)	1972/73 (July/June)
1. Consumer goods ...	604	624	578
2. Intermediate goods ...	635	809	890
3. Building and Construction Materials	206	240	215
4. Capital goods i.e. Machinery and parts ...	496	607	557
5. Transport equipment including parts ...	283	338	300
Total —1 to 5 ...	2,224	2,618	2,540

Note:

(a)Including imports for TAZARA.

Source:

Actual figures are based on Annual Trade Report for 1970 and Trade and Revenue Report for January–November, 1971.

Services

The main sources of receipts are freight and insurance, passenger transportation, earnings from foreign visitors and interest, profits and dividends.

Payments on account of services consist of passenger transportation, expenditure for education, expenses on foreign travel and interest, profits and dividends.

In 1972/73 services (net) are expected to result in an inflow of Shs. 310 million as compared to an inflow of Shs. 228 million during January–December, 1971.

Transfers

Transfer receipts and payments consist of two main categories—private and parastatal and government transfers.

In 1972/73 net transfers are expected to result in a nil balance as compared to Shs. 52·0 million in 1971 (January–December).

Foreign Exchange Plan—an overall view

Estimates of balance of payments for 1972/73 are shown in the following table:—

BALANCE OF PAYMENTS ESTIMATES

Table 7 (Value: Shs. million)

Items	1971 (Jan./Dec.)	1972/73 (July/June)
1. Goods		
Exports F.O.B.	1,780·0	1,860·0
Adjustments (time, value and coverage)	—43·0	—50·0
Imports c.i.f.	2,618·0(a)	2,540·0(a)
Adjustments (time, value and coverage)	85·0	90·0
Trade Balance	—966·0	—820·0
2. Services (net)	228·0	310·0
3. Transfers (net)...	52·0	—
Balance on current Account ...	(—) 685·0	(—) 510·0
4. Capital:		
Government loans:	765	790
Inflow	809	920
(a) TAZARA Projects	621	520
(b) Others(b)	188	400
Outflow	44	130
Compensation payments including interest	—42	—36

Notes:

(a) Icludes imports for TAZARA construction works.

(b) excludeds government grants.

In 1972/73 export receipts are expected at Shs. 1,860 million and imports are envisaged at Shs. 2,540 million. After taking adjustments into account, this is expected to result in a trade deficit of Shs. 820 million as compared to a trade deficit of Shs. 966 million in 1971 (Jan.—Dec.). Services (net) are expected to result in an inflow of Shs. 310 million in 1972/73 as compared to Shs. 228 million in 1971. Transferes (net) are expected to result in a nil balance in 1972/73. Thus the balance on current account is expected to decline sharply to Shs. 510 million in 1972/73 as compared to a deficit of Shs. 685 million in 1971. Net receipts from foreign loans by the Government are expected at Shs. 400 million in 1972/73 as compared to Shs. 188 million in 1971 (January—December). An implementation programme for the Foreign Exchange-Plan is being drawn up by the Government. Some of these steps being envisaged are as follows:—

(a) Ministries shall furnish estimates of foreign exchange expenditure to be met out of recurrent revenue at the beginning of the year.

(b) Export boards and organizations will be asked to adopt approriate measures for improving export performance including setting annual export targets.

(c) All information in respect of imports should flow to the Import Licensing Unit of the Bank of Tanzania.

(d) Import policy for the next year is being framed keeping in view the bread guideline of the Foreign Exchange Plan.

(e) Steps will be taken to increase earnings from tourism.

(d) Capital Programme

The capital programme for the ministries and parastatals has been designed this year again with the view of trying to reconcile the desire to undertake large development investments with the scarcity of local resources and the need to conserve foreign exchange. Total investment in 1972/73 is expected to equal Shs. 1,250 million including Tazara local costs, but excluding Tazara aid. Non-Tazara investment is expected to equal Shs. 1,051 million. The comparable figures for 1971/72 are Shs. 1,202 and Shs. 1,054 million. In 1973/74 the provisional figures are Shs. 1,221 million including Tazara local costs and Shs. 1,003 million excluding Tazara.

The ministerial development programme indicates a slight rise from 1971/72 to 1972/73. In 1972/73 ministerial expenditure is expected to be Shs. 640 million compared to a figure for 1971/72 of Shs. 602 million. 1973/74 the programme will be Shs. 653 million.

On the other hand, non-Tazara parastatal expenditure is expected to drop during the next two years. In 1971/72 parastatals are expected to invest Shs. 452 million. Of this some Shs. 209 million came from government transfers—(see Table I). In 1972/73 expected parastatal expenditure is only Shs. 410 million of which Shs. 306 million will come from the government development budget. In part this trend can be explained by the timing of the financing of Kidatu. Nevertheless, if this project is removed from the figures the basic trend of increased government transfers but decreased parastatal expenditure remains.

This year a further attempt has been made to bring parastatal expenditure under government control. Although it is still difficult to get adequate data from some parastatals, there has been considerable progress. In last year's plan the parastatal programme was only an indicative one. This year only approved projects have been included in the plan. Any project which does not appear in the Plan cannot be undertaken until explicit government approval has been obtained whether the project receives government funding or not.

This tighter control has meant some reduction in non-productive parastatal investments. It has become clear that parastatals have been building houses that cost far in excess in many cases of the Shs. 75,000/- limit. Parastatals have been urged to try to reduce the cost of these houses. Nevertheless, there does not exist at the moment any real mechanism to monitor parastatal expenditure in a detail way and to prevent any unauthorized investments being undertaken. Plans have been worked out to rectify the situation as far as housing is concerned, but a problem still remains with regard to controlling other types of expenditure.

There has been an attempt in drawing up the capital programme to reflect the new TANU guidelines. Allocations to Maji, primary education, Afya and Kilimo have all been increased. Maji's development expenditure in 1971/72 is expected to be Shs. 62·8 million. In 1972/73 this will rise to Shs. 78·8 million and in 1973/74 to Shs. 117·5 million. In 1971/72 the allocation to primary education was Shs. 9·0 million. For the next two years this will rise to Shs. 15·0 million annually. It should be noted, however, that owing to the financial constraint the allocation to primary education in 1971/72 was reduced.

Afya's budget has shown a remarkable increase. In 1971/72 the health part of the Health and Social Welfare development budget was only Shs. 4·4 million. Next year this will rise to Shs. 15·3 million and in 1973/74 to Shs. 20·0 million. Kilimo's budget has also risen dramatically, as a result of both a shift in local resources and a rise in foreign aid. In 1971/72 Kilimo should spend Shs. 34·4 million. In 1972/73 this is expected to rise to Shs. 64·0 million and in 1973/74 to Shs. 80·8 million.

At the same time there has been some attempt to shift resources away from some sectors. Comworks budget will fall from Shs. 188·4 million in 1971/72 to Shs. 156 million in 1972/73 and Shs. 145·8 million in 1973/74. Nevertheless, it should be noted that this shift reflects the decline in foreign aid rather than a decline in local resources. Local resources going to Comworks actually increases from Shs. 45·1 million in 1971/72 to Shs. 54·2 million in 1972/73 and Shs. 64·0 million in 1973/74. This decline in foreign aid is the result of the completion of a number of large foreign aided projects, especially the Tanzam Highway and the Kilimanjaro Airport. Although some new projects have been started, such as the Tea and Feeder Roads in Rungwe—Lushoto and the Geita Peninsula Roads, these are not large enough to offset the drop in these other projects.

The capital programme can be broken down into different sectors according to the classification adopted by the Five-Year Plan. For the first time, Parastatals have also been classified in this way. While Table 9 shows a fairly detailed sectoral breakdown of all

capital expenditures of the government and Parastatals (but excluding TAZARA); Table 10 shows the breakdown into just five major catagories of activities for the total resources of the public sector including the investment in TAZARA. (For this purpose 50 per cent of total TAZARA investment has been used as Tanzania's share). The sectoral breakdown shows the very high proportion of the country's development funds which have been devoted to economic infrastructure. Over the five-year period there is a constant increase of the share of infrastructure; while the allocation to roads and aerodromes has been declining there was a more than proportional increase in the funds going to TAZARA, the Kidatu power project and the water programme. At present around 60 per cent of total public sector development funds are being devoted to the provision of infrastructure. This situation results from the existing commitments to a few major and very expensive infrastructural proejcts and is contrary to the existing desire of shifting investment away from infrastructure. On the other hand, investment in directly productive activities is showing a singificant decline over the five-year period both in absolute and relative terms. The trend of decrease is probably even more pronounced than shown in the figures, because for the first two years the coverage of parastatal activities is not as complete as for the subsequent years. The decrease in the allocation of funds to directly productive activities reflects the decline in overall parastatal investment*. While one quarter of all available public sector resources was devoted to directly productive activities in 1969/70, this share has fallen to about one eight for 1972/73. Some drastic change is required to alter this undesirable trend. The relative share of social services out of total development funds has been fluctuating over the Plan period around a fairly constant value of 10 per cent.

*In the five-year Plan it was planned that 32 per cent of all government and parastatal funds (excluding TAZARA) would be devoted to directly productive activities, while it has now turned out that only 21 per cent will be spent for the purpose over the five-year period. An inclusion of TAZARA makes the balance in favour of infrastructure, of course, even more striking.

CONSOLIDATED DEVELOPMENT PROGRAMME

Table 8

(In '000 Shillings)

	Invest-ment	Local	For Aid	Total	For In-vestment	For Borrowing	Own Funds	Other	Total
1971/72									
Ministries	601,517	324,211	277,306	601,517	—	—	—	—	601,517
Parastatals	452,298	91,435	117,127	208,562	24,300	78,811	135,645	4,980	452,298
Sub-Total	1,053,815	415,646	394,433	810,079	24,300	78,811	135,645	4,980	1,053,815
Tazara	148,500	148,500	—	148,500	—	—	—	—	148,500
Total	1,202,315	564,146	394,433	958,579	24,300	78,811	135,645	4,980	1,202,315
1972/73									
Ministries	640,419	337,088	303,331	640,419	—	—	—	—	640,419
Parastatals	410,247	93,276	238,037	331,313*	5,100	15,528	99,054	16,752	467,747*
Sub-Total	1,050,666	430,364	541,368	971,732	5,100	15,528	99,054	16,752	1,108,166*
Tazara	199,250	199,250	—	199,250	—	—	—	—	199,250
Total	1,249,916	629,614	541,368	1,170,982	5,100	15,528	99,054	16,752	1,307,416*
1973/74									
Ministries	648,005	351,094	296,911	648,005	—	—	—	—	648,005
Parastatals	355,261	116,775	157,480	274,255	—	13,715	68,836	22,400	379,206*
Sub-Total	1,003,266	467,869	454,391	922,260	—	13,715	68,836	22,400	1,027,211*
Tazara	209,000	209,000	—	209,000	—	—	—	—	209,000
Total	1,212,266	676,869	454,391	1,131,260	—	13,715	68,836	22,400	1,236,211*

*Because of the timing of finance arrangements and because the parastatal figures include increases in T.I.B equity which does not necessarily get on-lent immediately to other parastatals, then actual investment does not necessarily equal actual sources of funds. In 1972/73 we can estimate that some Shs. 25·0 million of the funds given to T.I.B., will not result in investment. Thus total government contribution to investment is Shs. 306 million out of a total investment of Shs. 410 million. In 1973/74, some Shs. 10·0 million of T.I.B., funds received in 1972/73 will likely be spent, raising the government share to Shs. 285 million of a total expected investment of Shs. 355 million. The figure for total investment, however, excludes many parastatals who finance their own programme but have not yet prepared their programme for 1973/74.

SECTORAL BREAKDOWN OF DEVELOPMENT EXPENDITURE

Table 9 (Shs. '000).

	Ministry	Parastatal	Ministry	Parastatal	Ministry	Parastatal	Ministry	Parastatal	Ministry	Parastatal
	1969/70		1970/71		1971/72		1972/73		1973/74	
Mining	—	54	—	2,480	—	1,105	—	9,200	—	14,200
Manufacture and Processing	628	53,699	832	160,247	989	116,237	—	99,883	—	74,457
Agriculture—Food	5,965	1,681	4,704	7,992	1,237	3,190	847	11,004	1,056	23,500
Agriculture—Commercial Crops	633	10,944	1,268	9,266	200	9,077	440	10,954	540	1,782
Agriculture—Livestock	4,119	11,797	4,433	13,584	2,502	14,380	5,132	20,910	2,750	20,212
Tourism	4,638	64,167	4,121	46,037	2,120	39,655	1,980	24,856	2,922	24,300
Others	3,893	9,755	1,847	14,490	1,223	109	2,003	430	1,860	—
Trade, Distribution	—	4,080	—	11,416	—	30,112	—	3,020	—	112,475
Bankings, Insurance	—	3,869	—	13,093	—	28,583	8,867	9,317	8,600	8,825
Directly Productive Sub-Total	19,876	160,046	17,205	278,605	8,271	242,448	10,402	189,144	9,128	179,751
Agriculture Research	4,639	1,326	4,800	1,076	9,028	1,017	27,995	—	31,964	1,000
Other Research	7,066	—	11,764	136	17,618	299	23,471	1,545	16,030	1,325
Surveys Investigation	9,354	320	11,163	2,553	20,009	1,589	27,992	6,930	27,657	10,819
Res. Survey Sub-total	21,059	1,646	27,727	3,765	46,655	2,905	79,458	8,475	75,651	13,144
Electricity	—	24,807	—	70,848	—	139,312	—	153,162	—	137,926
Rural Water	40,905	—	48,531	—	41,550	—	57,450	—	93,100	—
Sub-total	40,905	24,807	48,531	70,848	41,550	139,312	57,450	153,162	93,100	137,926
Economic Infrastructure	1,790	815	1,292	1,541	50	3,761	50	3,877	—	4,001
Roads	180,415	2,062	196,335	2,128	165,866	2,124	146,342	1,885	142,914	1,885
Communications	502	18	62	341	4,729	907	8,433	3,226	1,508	2,603
Technical Education	20,166	—	33,056	—	68,243	—	93,442	4,000	72,156	—
Agriculture Improvement, Crops	5,857	—	3,903	726	13,352	2,733	11,018	2,160	14,386	1,004
Agriculture—Livestock	12,504	—	11,686	—	9,491	—	11,377	—	16,690	—
Agriculture—Livestock	12,193	—	13,610	—	14,492	—	9,706	—	10,849	—
Drainage	9,737	—	2,780	—	700	—	250	—	300	—
Storage	769	4,132	970	3,866	—	8,427	—	42,985	—	9,500
Other	45,940	730	77,860	2,192	56,788	6,232	43,405	6,410	42,170	9,120
Economic Infrastructure Sub-Total	289,873	7,757	341,554	10,794	333,711	24,184	324,023	64,543	300,973	28,113
Primary Education	14,673	—	20,048	—	9,000	—	15,000	—	15,000	—
National Service	6,384	—	7,733	—	2,120	—	10,380	—	2,600	—
Housing	3,215	21,399	5,926	31,890	3,677	33,616	3,132	4,890	—	7,300
Health	7,187	—	15,125	—	4,333	—	14,773	—	15,050	—
Culture	520	—	573	—	1,434	—	1,525	—	340	—
Other	1,714	—	2,104	—	1,447	—	—	—	—	—
Social Infrastructure Sub-Total	33,693	21,399	15,509	31,890	22,011	33,616	44,810	4,890	32,650	7,300
Administration and Security Sub-Total	54,571	—	91,979	—	147,936	256	120,174	—	134,503	—
Total*	459,977	215,655	592,505	395,902	600,134	442,721	636,317	420,214	646,005	366,234

*Because parastatal projects were given item numbers for the first time this year, some of their part investments could not be allocated. Thus total investment broken down here does not equal actual total investment.

SECTORAL BREAKDOWN OF DEVELOPMENT EXPENDITURE (INCLUDING GOVERNMENT, PARASTATALS, TAZARA)

Table 10

	Absolute size (in million Shs.)					Percentage share				
	1969/70	1970/71	1971/72	1972/73	1973/74	1969/70	1970/71	1971/72	1972/73	1973/74
Directly productive activities	180	296	251	199	189	25	25	18	14	13
Research, Survey and Investigations... ...	23	31	49	88	89	3	3	4	6	6
Economic infractructure	343	438	471	500	492	52	38	34	35	35
TAZARA	—	189	329	369	384	—	16	24	26	27
Social Services	75	116	123	139	117	11	10	9	10	8
Security	54	92	148	120	136	8	8	11	8	10
Total ...	675	1,162	1,371	1,415	1,406	100	100	100	100	100

NOTE:—In the case of TAZARA one half of the total investment has been included here.
Economic infrastructure includes electricity, water, roads, aerodromes, storage, drainage and irrigation, agricutural improvements.
Social Services includes education, health, housing and other social services.

A major feature of this year's budget has been the rapid rise in external aid. Total foreign aid excluding Tazara has risen from Shs. 156 million in 1969/70 to an expected value of Shs. 541 million in 1972/73. This figure must be viewed with caution, however, for two reasons. First, reporting of the value of technical assistance has improved considerably in the last year and accounts for part of this increse. This is especially important in terms of the foreign exchange plan where the value of technical assistance must be substracted from this figure before it is used as the estimate for capital inflow because technical assistance is not counted as imports. Secondly, the figures are projections and actual disbursements may well be lower.

Despite these caveats, it is still possible to conclude that there has been a major rise in the amount of foreign aid flowing into Tanzania. Because local resources available to the development budget fell from 1969/70 to 1971/72 and are to grow only very slowly over the next two years, the amount of local resources tied to foreign aided projects as a proportion of total local resources available has grown. It is important to develop mechanisms which ensure that the commitments we make with foreign governments reflect our national priorities and that they can be financed within our limited resources. This calls for the development of a continuous budgeting system so that at any time we can be aware of the resources we have committed.

The Parastatals have enjoyed an increase in government transfers. This has not been brought about by increased local resources, but by a rapid increase in foreign aid to the Parastatal sector. The result has been an increase in government transfers of local resources to Parastatals which are tied to foreign aided projects—(see Table II below).

AID TO PARASTATALS

Table 11

A.—Millions of Shillings	1969/70	1970/71	1971/72	1972/73	1973/74
Non-Aided Projects	110	169	47	25	38
Aided Projects	39	79	162	306	236
Local	20	30	45	68	79
Foreign	19	59	117	238	157
Total ...	149	248	242	331	274
B.—Percentages					
Non-Aided Projects	74	68	22	7	13
Aided Projects	26	32	78	93	87
Local	13	12	22	20	28
Foreign	13	20	56	73	59
Total ...	100	100	100	100	100

AID TO MINISTRIES

A.—Millions of Shillings	1969/70	1970/71	1971/72	1972/73	1973/74
Non-Aided Projects	194	235	205	214	211
Aided Projects	267	345	396	426	437
Local	133	135	119	123	140
Foreign	134	210	277	303	297
Total ...	461	580	601	640	648
B.—Percentages					
Non-Aided Projects	42	41	34	33	33
Aided Projects	58	59	66	67	67
Local	29	23	20	20	21
Foreign	29	36	46	47	46
Total ...	100	100	100	100	100

The large increase in 1972/73 can be explained by the start of four large projects: NAFCO cold storage, T.T.C. Mount Meru, N.M.C. Bakery Unit, and N.A.P.B. Silos Project. Aid to these projects totals over 60 million in 1972/73.

Another feature of the capital programme this year has been the government decision to decentralize some of the Government's operations. Ten Ministries were designated "Development Ministries" and some parts of their programme are being decentralized. All the development projects of these Ministries were classified as either national or regional. In Table 13 the proportion of the total investment programme carried out by the government and parastatals is shown.

PERCENTAGE ALLOCATION OF 1972/73 DEVELOPMENT FUNDS BETWEEN NATIONAL AND REGIONAL PROJECTS

Table 12

	National		Regional		Total	
	Shs.'000	%	Shs.'000	%	Shs.'000	%
DEVELOPMENT MINISTRIES	284,402	59	193,992	41	478,394	100
ALL MINISTRIES	446,427	70	193,992	30	640,419	100
MINISTRIES + TRANSFERS TO PARASTATALS(1) ...	777,740	80	193,992	20	971,732	100
MINISTRIES + TRANSFERS TO AND FUNDS OF PARASTATALS(1)	914,174	82	193,992	18	1,108,166	100
MINISTRIES + PARASTATALS SPENDING + TAZARA (LOCAL)	1,113,424	84	193,992	15	1,307,416	100

(1) Excluding TAZARA.

PART III

SECTORAL OBJECTIVES, PROGRAMMES AND ISSUES

(a) THE AGRICULTURAL SECTOR

(I) Main Development in 1971/72 and Progress Towards Planned Objectives

During this period, increases in the production of cashewnuts, tea, tobacco, (flue and fire-cured), and Pyrethrum were realised. Among the major agricultural crops—cotton and maize performed below expectations. The hope of reaching the target of 700,000 bales for cotton is now not realistic and should therefore be revised. Like the other major cash crops, it is hoped that the Lint Cotton Project likely to be financed by the World Bank will help to increase cotton production tremendously. However, the delay and slow progress in the preparation of this project means that this programme will take some time to be realised.

During the same period, a World Bank loan was obtained for the expansion of flue cured tobacco production and small holder tea. A loan from the same source for the Livestock Project—Phase II—has already reached the stage of negotiation. On the marketing services for agricultural crops, the National Agricultural Products Board is being strengthened with expert staff from some friendly countries. The decision to merge the marketing boards into two corporations to cater for internal and external marketing has not been implemented; the issue is under reconsideration. The Tobacco Authority recently formed by Act of Parliament is being put together. It is hoped that the various crop programmes indicated above and other efforts will help improve performance during the remaining years of the current Five Year-Plan.

(II) Physical Targets for 1972/74 and other Objectives to be Pursued

Although targets were set in the Second Five Year-Plan for certain crops, experience has shown that some of these targets are not likely to be achieved; amongst these are cotton and sugar. Success is likely for cashewnuts, tea, tobacco and pyrethrum which have performed well particularly in 1971/72. Increased production for sisal was not aimed at; diversification of sisal lands has started satisfactorily.

Cotton:

The target set for cotton by 1974 is 700,000 bales. Records show that production in this crop has not been encouraging. It is envisaged that a revision of this target will be made during 1972/74 in the light of realistic experiences. The Lint and Seed Marketing Board together with the ministry and government at large are working out an incentive strategy to induce the cotton farmer to grow more. The Lint and Seed Marketing Board has set itself a target of 500,000 bales for the 1972/73 season. It is expected that this target will be achieved through increased use of pesticides and fertilizers by the farmers.

Sisal:

Production for this crop has been declining since 1967. Production between 1970 and 1971 declined by 10·4 per cent. Apart from the deliberate diversification programmes, the crop in 1971 was affected by a water shortage for decortication. Currently T.S.C. has embarked on a diversification programme by introducting various new crops, and other economic ventures. Crops already in the programme, are cardamom, beans, cashewnuts, citrus, cocoa, coconuts, cotton, maize, sorghum tobacco and timber. Cattle ranching, dairying and twine spinning have also been introduced. It is expected that a sisal spinning company (Sisal Kamba Spinning Company Limited) with estimated production of 7,500 tons of twine per annum will start operation in 1972.

In view of fluctuating world prices for sisal, caution is being taken when making forward sales as is now being practiced. It has often occurred that our sisal has been sold in advance at lower prices after which prices have started to improve. A notable example is sisal

production from January to June, 1972 which was sold forward in 1971 at lower prices after which prices began to pick up. Strict vigilance will be kept on market trends to ensure that full advantage is taken of any future favourable market changes. If improvements are made in the sisal industry and with the current production of 181,000 tons, the plan target of 186,000 tons should not be hard to achieve.

Sugar:

Self sufficiency in this commodity has not been achieved. Imports have to supplement our local supplies and are likely to continue until the end of the current five year plan. During 1969/70, 1,800 tons were imported and the estimated figure will rise to 35,000 tons for 1971/72. It is estimated that for the year 1972/73 more imports will be necessary. More sugar has had to be imported at a substantially higher cost than domestic producer price and the Sugar Board has incurred heavy costs which it cannot sustain for long. In order to meet the high costs if imported sugar, it has been found necessary to review consumer sugar prices. Kilimo is presently looking into this issue. However, although the level of local demand for this item is increasing every year (currently estimated at 20 per cent), much effort is being made to increase local production by expanding Mtibwa Sugar Estate which will start production in 1972/73 starting with 12,000 tons; full factory capacity is 50,000 tons. At the same time a feasibility study for Kagera Sugar Estate has been prepared. Factory expansion at Kilombero is already underway to enable a production capacity of 45,000 tons. Yet another sugar estate is envisaged to take care of sugar needs beyond 1980. The original sugar target of 136,000 tons is already too low for our domestic needs, it needs revision upwards.

Pyrethrum:

During 1971/72 there was an increase of more than 50 per cent in production. At the current level of production which is very encouraging, there is all probability of achieving the Five-Year Plan target of 5,500 tons. Production of this crop although fluctuating has been, since 1971, on the uptrend and efforts are being made to revitalise the industry.

Tea and Tobacco:

Performance in these crops has been encouraging. The World Bank loan for both of these crops will almost certainly push production to the target levels or possibly higher i.e. planting a further 2,400 acres of small holder tea by 1973/74 and increasing flue-cured tobacco to 47·9m pounds by 1974.

In 1972/73 Kilimo, in conjunction with other ministries, will embark on a major exercise to determine realistic targets and regional specialisation for the major agricultural crops (including food crops). For long run objectives, an attempt will be made to set target for all agricultural crops starting with 1972/73 running to the end of the Third Five-Year Plan.

An attempt to project production for the major agricultural crops until the end of the current Five-Year Plan indicates the following:—

Table 14 ('000 tons)

Crop	1966	1967	1968	1969	1970	1971	1972*	1973*	1974*
Cotton	78·8	70·8	51·3	69·4	76·4	66·1	78·0	84·0	90·0
†Coffee	51·9	40·2	51·5	46·1	49·7	45·8	42·0	40·0	40·0
Sisal	225·1	220·1	196·9	209·3	202·2	181·1	160·0	150·0	160·0
Cashewnuts	83·3	76·5	117·0	114·6	117·0	126·3	144·0	154·0	165·0
Tea	6·8	7·2	7·9	8·8	8·5	10·5	11·8	12·8	13·8
Sugar	71·0	71·8	82·4	92·0	87·3	95·8	103·0	110·0	120·0
Tobacco (flue-cured) ...	3·6	4·6	5·1	8·2	8·9	8·8	11·7	13·1	14·5
Tobacco (Fire-cured) ...	1·5	3·2	2·2	3·5	2·1	3·1	3·1	3·3	3·4
Pyrethrum	4·4	6·7	4·8	3·8	2·3	3·7	4·3	5·0	5·5

*Projection does not take into consideration introduction of new programmes, e.g. for cotton, tea, tobacco and sugar.

†Note the declining trend of production.

(III) Implementation Programme for 1972/73/74 and other action Programmes

The major part of Kilimo's programme is aimed at increasing production for the main agricultural commodities. The livestock industry is expected to get a boost from the implementation of the Livestock Project—Phase II. Most of the programmes will be backed up by foreign loan funds. Another important aspect of the programme is in training and agricultural eduction. Foreign funds will be partly used in the implementation of this programme too. Other outstanding programmes include the consolidation of the state farms and the improvement of the agricultural and veterinary services. A serious start is being made on the dairy production programme.

(IV) Implementation of Issues for 1971/72

In the 1971/72 Annual Plan several issues requiring action were identified:—

State Farms:

A review of State Farms policy and performance was undertaken. It has been recommended that some state farms under Kilimo which have a predominantly Regional character should be transferred to the newly formed regional authorities. The Ministry will retain state ventures of a really national impact and character.

Sisal Diversification:

Currently a pre-investment study by the World Bank is underway. The diversification effort, largely by the Sisal Corporation, is considerable.

Pyrethrum:

The position of pyrethrum was to be reviewed and farmers encouraged to increase production. This industry is now under review and production of the crop has started to increase. It is intended to revise the licensing system to encourage and stabilise production.

Sugar and Cashewnuts:

Review to promote production of these crops was called for. Action in respect of both these crops is in progress.

Agricultural Prices Policy Co-ordinating Committee:

The whole machinery for agricultural pricing policy is to be reviewed. This work will be carried out during 1972/73.

Horticulture:

A working party to promote production of this crop was formed. Currently a report covering production, processing, marketing and research for this crop is in the final stage of preparation. Inter-regional marketing will be facilitated by the National Cold Chain Company while intra-regional trade will remain the responsibility of Regional Development Authorities, along with increased production effort and provision of planting material. A horticultural research institute going up in Moshi will take care of research needs.

(V) Main New Issues

Means and ways of extending agricultural education more cheaply and effectively will be looked into in 1972/73 period. A reassessment and improvement of the cashewnut production and processing industry requires to be looked into. A working committee composed of Devplan, Treasury, Kilimo, Mincom, Prime Minister's Office and NDC has already been formed to look into production, processing, marketing and pricing of this crop. More emphasis will be placed on the development of hand processing industries. The study is expected to come up with recommendations on the best strategy to develop the industry.

The increasing imports of sugar and rising trend of domestic demand for this commodity do not indicate good prospects. Sugar production at Mtibwa, Kilombero and elsewhere is far from meeting the increasing demand. Plans are therefore underway to find ways of increasing the quantity of the crop.

Food cereals and legumes are important staple foods for most Tanzanians. A research project is already underway geared at improving breeding and agronomic standards of maize and legumes. Most of the research work will be conducted at Ukiriguru and Ilonga.

During 1971/72 there was a persistent shortage of cooking oil. A working party composed of Kilimo, Devplan, Mincom and Treasury has been formed to formulate both short and long run solutions for the industry by looking at production, processing and marketing (distribution). Policy recommendations should be ready before the beginning of 1972/73.

Fertilizer is a very important input if production of our major agricultural crops has to increase. In view of the domestic high prices for this input, fresh insight should be made in this issue especially in consideration of our local fertilizer factory of Tanga. Efforts should be made to find ways of how a producer can obtain fertilizer at cheaper prices. Kilimo, Devplan, Mincom and Treasury are currently studying this issue.

Livestock marketing and pricing caused a lot of problems in 1971/72. In the coming period these issues will be looked into.

Investigation on the TAZARA Railway are now being conducted. A Committee composed of DEVPLAN, KILIMO, ARDHI, HOME AFFAIRS, PRIME MINISTER'S OFFICE AND REGIONAL AUTHORITIES in respective areas was formed to investigate and come up with projects which can generate quick benefits to the surrounding areas. Such investigations are already underway and some projects have already been identified comprising of Livestock, production of maize, rice, beans, fruits and vegetables and timber. Kilimo (including its parastatals) and Home Affairs will take an active part to implement these projects.

In the nearest future it is intended to increase the number of rural craft workshops and tractor hire units, to purchase more workshops in order to service the increasing number of tractors working in Ujamaa Villages, to train and recruit more staff who will sufficiently look after the tractors and provide more efficient means of transport and tools for field staff. Such services should especially increase in Ujamaa Villages which are expanding mechanised cultivation. Kilimo will look into this issue in 1972/73.

(b) THE NATURAL RESOURCES SECTOR

(I) Forestry

The main lines of development in this sector for 1972/73 will be a continuation of work started last year or within the current plan. Work will continue on planting new areas with hard-woods and soft-woods at the rate of 1,000 ha'. and 5,000 ha'. respectively while work on regeneration will be at 1,500 ha'. Last year this project was not expanded and only maintenance work was done on the existing 13,000 ha'. of regenerated forests. The survey and inventory programme started in 1971/72 for the 88,000 sq. km. is due for completion in April, 1972 and the interpretation of the maps should be completed in June, 1973.

In 1971 TWICO has established and consolidated itself and has plans for expansion. It now owns four sawmills, three factories of chipboard, plywood and fibre-board. The Forest Division will hand over all its six sawmills and woodworking/furniture shops to the Corporation. In 1972 the Corporation expects to produce 180,000 of chipboard, 200,000 pieces of railway sleepers, 2,500 tons of hardboard and 18 million sq. feet of plywood.

Research to find suitable species for planting on both high-lands and low-lands continued at a slow pace due to lack of funds. A foreign donor has provided funds to complete research on low land afforestation and it is hoped that the money will be utilized in 1972/73. Silvicultural research will be expanded to cover areas which have not been tested so far.

More funds are required for such projects as research catchment, forests and tending of natural forests. As the sub-sector expands repidly, the shortage of staff is and will be felt with the passage of time especially at professional level. These needs should be identified and determined so as to plan training comprehensively. There have been great demands by people to degazette forests for other land uses. This is a move which should be resisted except under very special circumstances.

In 1971/72 funds were spent on raising various tree species in the regions for fuel, building poles and timber production in Ujamaa Villages. It is intended to continue with this programme. A master plan for conservation/afforestation for Dodoma Region for 1972/73—1982/83 has been drawn up. Similar plans are to be drawn up for Shinyanga, Singida and Mwanza.

There are plans to identify new afforestation areas as the existing projects reach their final targets. The likely areas for soft-woods are Wino (Ruvuma), Kipengere (Njombe), Tanga, Kilosa (abandoned sisal estates) and West Lake. Hardwoods could be planted in old sisal estates that are now reverting to bush.

(II) Fisheries

Major works in fisheries development in 1972/73 will continue on the completion of the fishing villages started in 1971/72. Efforts have been put in the search for suitable sites for the Fisheries Port Terminal Facilities and Fish Receiving Stations. This project has now been merged with the National Cold Chain Project and will be supervised and managed by NAFCO.

Efforts are being made to integrate the Kunduchi Fisheries Training Institute with the Faculty of Science at the University. This move should provide the country with the required high-level manpower in this field.

Although considerable investment has been made in this subsector, fish production has not increased significantly and the price of fish continues to be considerably higher than that of beef. It is however hoped that with renegotiated agreement between NAFCO and a Japanese firm, Mwananchi Ocean Products Company should be able to expand its fishing activities for the benefit of the Nation.

Several fishing villages have not been able to operate their cold storage facilities due to lack of suitable motor generators. It is hoped to solve this problem during the year.

(III) Game

The Wildlife Utilization Project will be expanded with foreign assistance to cover the whole country to gain more information on the efficient methods of cropping and processing trophies and skins and the marketing of both. It is planned to have this project well underway during the year.

The project "Tourist Development of Game Areas" aims at the opening up of the hitherto inaccessible game areas. The Selous Project has produced good results and the experience and knowledge gained can be applied to other areas in the south and western Tanzania. Development will be focussed on three areas; Rungwe, Moyowosi and Biharamulo/Burigi.

(c) TRANSPORT AND COMMUNICATIONS

(I) Main Development in 1971/72 and Progress towards Planned Objectives

During the year most emphasis was still placed on the continuation of a few big projects which had been dominating the transport sector for the last few years. Progress on most projects has on the whole been quite satisfactory. Most of the major projects are now completed which allows for a new orientation of the investment programme of this sector. The Morogoro-Tunduma section of the Tanzam Highway was virtually completed. The Kilimanjaro International Airport and the Tanga Jetty were completed. Construction work on the Tanzam Railway is considerably ahead of schedule and 502 km. of track were completed before the end of 1971. At the port of Dar es Salaam the new berths No. 7 and 8 were completed and work has started on the construction of the Mjimwema Single Point Mooring Buoy. The National Transport Corporation (N.T.C.) proceeded with its expansion programme of D.M.T. and its first ship for the Tanzania Coastal Shipping Line came into operation in April, 1972. On a small scale a start was also initiated for N.T.C.'s new

National Road Haulage Company (N.R.H.C.). Feasibility studies were carried out on the Dar es Salaam–Lindi, Dar es Salaam–Bagamoyo and Songea–Makambaku roads. A study on the maintenance requirements of the existing road net-work was also completed. Detailed economic and engineering investigations are now proceeding on the Arusha–Mwanza link road. All necessary preparations have been made for feeder road construction programmes to start in 1972/73. Efforts have been made to start new productive activities as soon as possible along the already completed sections of the Tanzam Railway.

(II) Physical Targets and Implementation Programme for 1972/74 and Other Objectives to be persued

(a) In respect to *roads* there are the following targets and objectives:

—continue complete re-construction of the Dar es Salaam–Morogoro road for completion in 1973/74;
—design Dar es Salaam Port Access road in 1972/73;
start construction of Pugu road in 1972/73 and complete it in 1973/74;
—start construction of Mtwara–Mingoyo–Masasi road in 1972/73 and complete it in 1973/74;
—build an access road to the new wagon-ferry terminal at Kemondo Bay during 1972/73;
—complete the Sigi bridge on the Tanga–Moa road;
—start feeder road construction by betterment units in Geita, North Mara, Musoma, Lushoto, Rungwe Districts and in the areas of Lupembe and Bukoba;
—complete design work on Makuyuni–Oldeani road in 1972/73 and decide on the finance and construction of this project;
—carry out feasibility studies on feeder road improvement in more parts of the country, especially in Lindi, Mtwara, Songea and Shinyanga Regions.
—complete the prepration and/or evaluation of feasibility studies for Arusha–Mwanza, Dar es Salaam–Lindi, Songea–Makambaku and Dar es Salaam–Bagamoyo road projects;
—set up a new Comworks training school at Morogoro;
—improve the Ruanda link road and the Tunduma–Sumbawanga road in 1973/74; and
—start the re-construction of five important bridges of the country in 1973/74.

(b) In respect to the *road transport industry*, the following main objectives are presently envisaged:

—continue the expansion programme of D.M.T.;
—start the National Road Haulage Company initially on a small scale;
—continue to investigate the most appropriate way for N.R.H.C. to take up goods haulage operations throughout the country on a larger scale and start such operations in 1973/74; and
—finalise work on an over all review of the existing road transport industry and devise clear guidelines for a comprehensive road transport policy for the country, identifying the roles of the different types of transport operators.

(c) The objectives in respect to *aerodromes and air traffic* include the following main points:

—continue with improvement of the installation of the Dar es Salaam Airport during 1973/74; and
—carry out investigations about the future requirements of all airports in the country and start some of the needed improvements in 1973/74 (this includes a decision on an extension of the runway at Dar es Salaam in 1973/74 or at a later date).

(d) As regards the field of *shipping and ports* the important issues are the following ones:

—proceed with the expansion of the Coastal Shipping Line;
—finish all the back-of-port works for berths No. 4—8 at Dar es Salaam;
—proceed with investigations and financial negotiations for the construction of berths No. 9—11 at Dar es Salaam;
—complete the construction of the Single Point Mooring Buoy at Mjimwema in 1973;
—improve the existing lighterage wharf area in Dar es Salaam;
—acquire a third vessel for the Chinese—Tanzania Joint shipping Line;
—evaluate the optimal role of the Eastern Africa National Shipping Line in the light of the recommendations prepared by a special committee of economists;

—set up a permanent secretariat for the Inter-governmental Standing Committee on Shipping;

—continue efforts to set up the proposed shipping services along the Tanzania shore of Lake Nyasa;

—order during 1972 the construction of a new vessel as a replacement of the "Liemba" for shipping services on Lake Tanganyika (to be done by E.A.R.C.); and

—complete the construction of a new wagon-ferry terminal at Kemondo Bay South of Bukoba in 1973 (to be done by E.A.R.C.);

(e) In respect to *Railways* the following objectives are the most important ones:

—continue with the rapid construction of the Tazara Railway;

—evaluate the recommendations of the Economy Committee of the E.A.R.C. and take all necessary steps to improve the commercial viability of E.A.R.C. and to bring it back to a situation of earning a surplus;

—bring into operation all the 70 new diesel locomotives ordered by E.A.R.C.; and

—introduce into service the ordered new railway wagons and order an appropriate number of wagons to be able to cope with the existing demand.

(III) Main New Issues

The whole set-up of the road maintenance in the country is presently being reviewed in the light of the general decentralization of the government activities and of the recommendations of the consultants that have completed a report on the road maintenance organization. This review also includes a critical analysis of the present practices of public sector transportation by different Departments in the Districts and Regions of the country. A completely new organizational structure may be required to improve the current unsatisfactory state of affairs in respect to road maintenance and availability and servicing of public vehicles.

Investigations are under way into the optimal structure of air charter business in the country.

It it intended to set up a Shippers Council in Tanzania which would bring together all exporters and importers of goods. This body would pursue the interests of its members in respect to all shipping matters and it would work in close liaison with the Inter-governmental Standing Committee on Shipping.

Some re-arrangement of the present set-up in respect to shipping agencies in the country appears desirable.

(d) WATER DEVELOPMENT AND POWER

(I) Main Development 1971/72

In accordance with the Party directives, provision of water supplies in the rural areas will be speeded up so that in less than twenty years all people in the rural areas will be within easy reach of adequate and good water.

Survey and designs have been and are continuing to be made for various state farms, irrigation projects, etc. while the construction of Kidatu Hydroelectric project and Ubungo power plants dominate the power programme. Feasibility studies were made for many power transmission lines and power projects.

(II) Main Objectives for 1972/73

(i) (a) *Rural Water Supply:*—The production capacity will be increased so that for the next two years at least 1·0 million additional people will be served from new water supplies. Steps are underway to reduce the investment cost per person from 110/- to 70/-. To carry out this programme, funds to the tune of Shs. 50·0 million will be required for construction, surveys and investigations, purchase of plant, vehicles, equipment and training.

(b) Handeni Trunk main and distribution system will be constructed to supply water to the established Ujamaa Villages in Handeni District and enable others to be established.

(c) Ning'wa dam will be constructed in Shinyanga Region with a primary objective of supplying water to a large rural area althogugh there will be excess water to allow for an improved supply to Shinyanga Township.

(d) Surveys and investigations, which involve gauging, recording, pedological, topographical surveying and other hydrological activities, will be speeded up in view of the enlarged construction programme envisaged for the years ahead.

(e) The preparation of Water Master Plans for Dodoma and Shinyanga Regions will be continued for the next two years. It is also anticipated that the Water Master Plans for Mtwara, Lindi and Western Regions, will start during 1972/73 while the remaining Regions will be tackled during the 1973/74 financial year.

(f) There will be an expansion of Regional depots and Regional maintenance units in various Regions at a cost of Shs. 2 million. During this financial year, the number of construction, operation, surveys and investigation teams will be increased.

(g) Training for the rural water supply programme will be stepped up to increase the number of students trained to technical assistant level to 40 every year. This will entail the extension of facilities at the Ubungo Training Centre.

(ii) (a) Under the Irrigation Programme, surveys and investigations will be carried out for state farms, satellite Ujamaa Village irrigation and flood control schemes. The arable belt on Lake Victoria will be surveyed for mixed farming purposes intermingled with state farms like Nyatwali.

(b) Pilot irrigation projects like Nyakakera and Pangani, which were opened to test the suitability of some crops under irrigated conditions, will continue to be maintained and operated.

(iii) Water Supply projects in urban centres of mainland Tanzania have been given priority over drainage due to the general shortage of water for industrial purposes. Major works have been planned for Dar es Salaam, Tanga, Arusha, Mwanza, Moshi, Tabora and Morogoro to complete the on-going projects and extend the distribution system. In addition, the Lower Ruvu Scheme and the Tanga Water Supply Scheme will be undertaken after completion of the final designs.

(iv) The feasibility studies of Kagera River Project, Stiegler's Gorge Project, Kiwira River Project, and Hydrometeorological survey of Lake Victoria areas will continue in 1972/73.

(v) The power programme will be dominated by construction works on stage I of Kidatu Hydroelectric project which is expected to be completed in the middle of 1975. Expenditure on this project will in 1972/73 be 132·75 million of which 40 million will be local resources. The study on the Hale-Kikuletwa transmission line will be completed and various minor transmission lines will be constructed during 1972/73.

(III) New Issues

1. A serious look will be given to the shortage of water supply which has affected the industrial development of Dar es Salaam, Arusha, Tanga and Mwanza towns.

2. Work to look into the problems pertaining to financing, administration and internal wiring for a comprehensive rural electrification scheme will be undertaken during the year.

(e) TRADE AND COMMERCE

(I) Developments in 1971/72

Last year was a mixed one for the Commercial Sector. Total exports rose by 7·2 per cent and exports to the East African Community Partner States increased by 29 per cent. Overall imports went up by 18 per cent as against a planned decrease of 0·2 per cent.

The bulk of this expansion stemmed from imports for the Tanzam railway which is ahead of schedule. Foodstuffs imports increased slightly, while other consumer goods imports remained constant as planned and there was a continued decline in the importation of luxury goods. An improved licensing system during the year allowed closer control of foreign exchange spending and a more rational allocation towards development and critical consumer imports. There was increased export promotion through individual product promotion and participation in trade fairs. Commercial attaches were posted to Zambia, Italy, Egypt, India and Japan to actively promote Tanzanian products.

The picture for internal trade was not as positive during fiscal year 1971/72. Problems of S.T.C. with respect to over-stocking, shortages and a disproportionate use of financial resources grew rapidly from July through November. Towards the end of the calendar year it became clear that a review of structural organization and activities by the parent Ministry was necessary. The Ministry appointed an inter-ministerial committee to study and make recommendations on future necessary changes in the structure and activities of S.T.C. and the Ministry will report their recommendations to Government.

In physical terms, the socialization of trade moved well, given the constraints of capital shortages experienced by the country as a whole. S.T.C. completed 5 Regional facilities, 7 District depots including Regional wholesale shops; NATEX opened sub-wholesale branches in Moshi, Tanga, Mbeya, Iringa and Dodoma, and the number of District Development Corporations has risen from 8 to twenty-four.

(II) IMPLEMENTATION OF OBJECTIVES 1971/72 ANNUAL PLAN

(a) Control of Trading Margins of Public and Private Corporations

Mincom was expected to provide guidelines for profit margins on the basis of S.T.C. and N.D.C. analysis. Although this was supposed to be done in 1971/72 it was for a number of reasons not possible to complete this exercise during the year. Mincom will soon start on this exercise.

(b) Reduction of Stocks

In 1971/72, S.T.C. was expected to reduce the level of its stocks to 3½ months sales. With the exception of the goods which were over-ordered, the S.T.C. has now reduced its stocks as follows:—

(a) goods produced in E. Africa—1½ months.
(b) pharmaceuticals—6 months.
(c) other goods—3½ months.

(c) Implementation of Foreign Exchange Plan

During 1971/72 guidelines were to be worked out for holding consumer imports at the level required for the implementation of the foreign exchange plan. This exercise is underway and partially implemented.

(d) Reduction of Luxury Imports

An analysis of specific commodity imports with a view to drastically reducing luxury imports was to be undertaken. The new Licensing Unit in the Bank of Tanzania is already implementing this objective.

(e) Analysis of potential markets in Socialist Countries

An analysis of potential markets in socialist countries will be undertaken.

(f) Trade Offices in Neighbouring Countries

Proposals to open offices in Lusaka and Nairobi are under consideration.

(III) Objectives for 1972/74

The most important objective over the next two years will be to rebuild the internal commercial system. More retail co-operatives will be opened both in urban and rural areas as part of Ujamaa Village development process.

Until now, the wholesale, sub-wholesale and retail prices on items which are not price controlled but nevertheless handled by public institutions have been allowed to move according to market forces. Work will be started soon by Mincom to set realistic profit margins for a selected number of these items. In the main commercial centres, such as Dar es Salaam, Mwanza, Moshi, Arusha and Tanga, suggested retail prices may require to be publicly posted. These could be supplemented by marking the prices on the items being sold. It is expected that the consumers themselves will be the main agents for ensuring that actual and posted prices coincide. The Regional Commercial/Industrial Officers will survey their centres to ensure that these prices are being followed.

Mincom will complete an evaluation of export potential of the manufacturing sector this year and the results will be used by the Export Promotion Bureau as a basis for its market survey work in neighbouring countries. The export potential of the manufacturing sector will be analysed in terms of foreign exchange, employment and income effects and be used as an input for the long-term industrial strategy.

While an export promotion strategy is being worked out for the manufacturing sector, Mincom will plan an overall export strategy. On the planning side, export potential of the manufacturing sector will be analysed in terms of foreign exchange earnings, employment and income effects. Such an analysis will give a sound basis for deciding what role the manufacturing sector will play in the overall export strategy of the country. In addition, the present structure of our exporting organizations will be re-examined with the purpose of improving the efficiency of the export promotion through improved co-ordination and elimination of duplicated effort. Currently, efforts are being made to streamline the marketing of manufactured goods.

(IV) Export Targets

The setting of targets for the trade and commerce sector is becoming an important tool for development planning. It is in this area that further emphasis will be placed. At present, a start has been made to get such production and export targets from various manufacturers. Within the next planning period, a reporting system will be developed that will facilitate the collection of required data from local manufacturers.

(f) MANUFACTURING INDUSTRY

(I) Development and Problems in 1971/72

During 1971/72 the manufacturing sector expanded considerably. The rise in industrial output of 12·5 per cent in current prices (or 7·7 in constant prices) in 1971 as compared with the 1970 level, was an improvement over 1969/70. 1971/72 also saw the completion of major industrial projects such as the Kenaf factory, General Tyre, Distillery Plant and Fertilizer factory. The full impact of this new capacity will be felt in the coming two years. Impressive production increases in 1971 were recorded in the munufacturing of beer, sisal and pyrethrum products. Production of shoes, farm implements and textiles also recorded considerable increases.

Decline in production was experienced in the coffee industry and in some plastic products. Several other manufactures suffered losses such as for example Mtwara Cashew Company Limited and the Tanzania Bag Corporation. The main reasons were low labour productivity, shipping problems (cashew industry), increasing costs of raw materials and fixed prices of final products, (textile industry), and marketing problems (coffee industry). Capacity under-utilization persisted in 1971. Detailed data on capacity utilization will be provided by the Central Statistical Bureau in the "Industrial Survey for 1971". The problem of cost escalation in projects was also encountered. This increased the cost of the projects considerably from the original estimates. This has been attributed to design changes in

projects under construction, omissions of important components in the original costing of projects, underestimation of costs, revaluation of the German Mark. In the N.D.C.'s fertilizer project alone, a total cost overrun of Shs. 54 million was experienced. In general, the rate of new investment declined considerably as emphasis was put on completion of projects already undertaken in 1969/71 and on expansion to existing plants—such as the cement plant, Nyanza Salt Mines and Tanita.

With regard to Small Scale industries, the National Small Industries Corporation has made progress both in promotional and commercial activities. Of the projects undertaken in 1971/72, the Industrial Estate in Dar es Salaam is of basic importance to the operational and training activities of this corporation. The industrial estate will provide adequate base for the development of industrial and managerial skills in light engineering and small-scale industries. At the end of 1971/72, N.S.I.C.'s total investment is expected to reach Shs. 4·5 million, including its capital participation in National Arts of Tanzania.

Headway has been made in the implementation of other aspects of Tanzania's industrial policy. The measures regarding geographical distribution of industries are being implemented with great success in respect of decentralization of industries away from Dar es Salaam.

More and more industries have gone to up-country urban centres which would otherwise be located in Dar es Salaam, to date, up-country urban centres account for 84 per cent and Dar es Salaam for 16 per cent of the new industrial investments made during the current plan. In future more effort will be directed towards attracting industries to all the "growth towns" especially Mwanza, Dodoma, Tabora, Mtwara, Mbeya and Morogoro. To this end during 1971 the Tanzania Industrial Investment and Licensing Council (T.I.I.L.CO) was created and will be serviced by a secretariat in Mincom. The role of T.I.I.L.CO is to formulate and administer the necessary fiscal and non-fiscal incentives aimed at implementing the country's decentralized industrial growth policy.

(II) The Outlook and Main Objectives for 1972/73 and 1973/74

During 1972/73, the industrial projects already completed in the first three years of the Second Plan will begin to make an impact on the economy. Thus, it is expected that the growth of industrial production will rise by an annual average of 8—9 per cent in real terms in the last two years of the current plan. To achieve this growth rate, drastic measures must be taken to ensure better capacity utilization, improved management performance and profitability.

(III) Physical Performance Targets—1972

An attempt has been made for 1972 to set physical targets for specific manufacturing sector production units. As indicated in the adjacent table, these targets cover only 1972. In future, with the refinement of the physical target technique, it will be possible to make two year forward targets.

Within this broad objective of performance targets, N.D.C. has formulated a programme of increasing production and profitability of its companies in 1972. According to the N.D.C. plan, total sales should increase from Shs. 1,025 million in 1971 to Shs. 1,185 million in 1972 or an increase of 15 per cent. Net profit before taxation should rise from Shs. 115 million to Shs. 121 million or 5 per cent in the same period. The table below is a summary of N.D.C.'s production targets for 1972.

PRODUCTION PLANS FOR N.D.C. COMPANIES

	Unit	1970 Actual	1971 Actual	1972 Target
MINING:				
Williamson Diamonds Ltd.	m. carats	657,208	791,410	598,500
Nyanza Salt Mines (T) Ltd.	metric tons	23,225	22,447	24,000
MANUFACTURING—FOOD:				
Mtwara Cashew Co. Ltd.	tons	3,100	3,400	635
Tanita Co. Ltd....	tons	9,666	9,559	10,564
Tanganyika Instant Coffee Co. Ltd. ...	tons	248	145	200

PRODUCTION PLANS FOR N.D.C. COMPANIES—*contd.*

	Unit	1970 Actual	1971 Actual	1972 Target
MANUFACTURING—BEVERAGES ('000) :				
Tanzania Breweries	Cases	2,339	3,341	4,500
MANUFACTURING—LEATHERS:				
Tanzania Tanneries Ltd.	Hides and Skins Pairs ('000's)	260,700	294,360	360,000
Tanzania Shoe Co. Ltd.	Pairs ('000's)	2,060	1,630	3,000
MANUFACTURING—PRINTING AND PUBLISHING:				
National Printing Co., Ltd.	Various	N/A	N/A	N/A
Tanzania Publishing House Ltd. ...	Various	N/A	N/A	N/A
Tanzanyika Standard Newspaper Ltd.	Various	N/A	N/A	N/A
Printpak Tanzania Ltd.	Various	N/A	N/A	N/A
Kibo Paper Industries Ltd.	Tons	N/T	794	1,800
MANUFACTURING MINERALS/NON METALS:				
Tanganyika Meerschaum Co. Ltd. Pipes	Tons	178,152	185,722	200,000
Tanzania Portland Cement Co. ...	Tons	167,296	177,503	325,000
MANUFACTURING MINERAL/METALS:				
Ubungo Farm Implements Co. Ltd. ...	Units	276,284	533,629	433,000
Metal Box Co. Ltd.	Various	N/A	N/A	N/A
Mwananchi Tractor and Vehicle Assembly	Various	826	975	800
MANUFACTURING MINERALS:				
(Prec. and semi-prec. stones) Tanzania Diamond Cutting Co. Ltd.	Carats	13,195	15,876	18,500
MANUFACTURING TEXTILES:				
Blanket Manufactures Ltd.	Meters	2,268,007	2,602,978	2,774,000
Friendship Textile Mill Ltd.	Meters	14,087,720	19,779,004	22,007,000
Mwanza Textile Ltd	Meters	12,397,435	16,422,208	17,200,000
Tanzania Bag Corporation Ltd. ...	Bags	1,365,000	1,600,000	1,920,000
COMMERCE—TRADING:				
National Textile Industry Corporation	Meters	N/A	N/A	N/A
MANUFACTURING CHEMICAL AND SYNTHETICS:				
Tang. Extr. Co. Ltd.	Tons/ flower	2,378	2,666	4,300
Tang. Teg. Plas. Ltd.	Tons	1,017	629	1,615
MANUFACTURING TOBACCO:				
B.A.T. Tanzania Ltd.	Cigarettes	2,557m	2,824m	3,068m
RECREATION AND OTHER:				
National Small Ind. Corp.	Various	N/A	N/A	N/A
National Arts of Tanzania Ltd. ...	Various	N/A	N/A	N/A

(IV) Investment Plan 1972/73 and 1973/74

N.D.C. received from development budget 2·9 million Shs. for 3 projects; Mtwara Cashew (1·0) Tanzania Cashew Machines (0·4) and Gemstones Mining General (1·5).

TWICO received a total of 6·546 million Shs. for 3 projects, Fibreboard (4·3) Kilwa Sawmills (1·546) and Imara Plywood (0·7) N.S.I.C. will spend 1·309 million Shs. from the development budget on industrial workshop, 1 poultry project, 1 industrial estate and head-quarters.

(V) Main Planning Issues

A working party dealing with the long term industrial strategy will start its work within the framework of the Third Development Plan Commission as soon as possible.

During 1972/73 Mincom with the Central Statistical Bureau will continue to work on the analysis of utilization of industrial capacities.

In 1971/72, some industries (e.g. Textiles) experienced high costs of raw materials even though the prices of final products have not been altered. In 1972/73, Mincom will carry out project by project analysis with a view to finding a solution to this problem.

(g) MINING

(I) Development in 1971/72

Mining output recovered in calendar 1971, wholly due to a 3 per cent rise in the diamond price and a 16 per cent rise in the quantity of diamonds sold. However, output of almost all minerals other than diamonds continued to fall, from about Shs. 42 million annually in the early 1960's to Shs. 15·5 million in 1971. Given the expected decline in diamond output over the coming few years, this weakness in other mineral sales is the major problem to be solved in this sector.

The objectives of the Annual Plan for 1971/72 covered a series of mineral investigations, and the strengthening of Mincom's capacity for actually developing mineral resources. The investigations have proceeded along the intended lines, and details are given in the Economic Survey for 1971. Some have reached a stage near to commercial exploitation, and the follow-up expected in 1972/73 is detailed below. The studies of the Liganga iron complex and related coalfields could not be completed by March, 1972, but an interim consultant's report was delivered in May. Work on the review of mining legislation was started, and will continue in 1972/73. Manpower still remains a problem which requires future attention.

(II) Output Objectives for 1972/73 and 1973/74

Given the fluctuating nature of minerals output, setting output targets is not easy. However, it is expected that diamond output may fall to about 600,000 carats compared with about 800,000 carats in 1971. Salt output from Nyanza Salt Mines will remain constant at about 24,000 tons. No other firm output plans are available.

(III) Implementation Programme for 1972/73 and 1973/74

The following are the main elements of the 1972/74 programme:—

(a) *New Projects:*

(i) Detailed investigations and work on the development and use of Kaolin will be carried out with foreign collaboration on the ***Pugu Hills Kaolin*** complex covering production of ceramics, bricks, tiles, sheet-glass and paper-filler;

(ii) Production of rare minerals from the ***Beach Sands*** deposits will start in 1972/73;

(iii) Work on the development and use of the Mchuchuma Coal deposit will start in 1972/73.

(b) *Projects under-way:*

(i) The ten-fold expansion of magnesite production from Chambogo should be realised by late 1973;

(ii) The planned expansion of Nyanza Salt Mines' output should take place in mid-1973;

(iii) Gemstone mining will be expanded during 1972/73.

(c) *Investigations:*

(i) Evaluation of the Kigugwe copper deposits will continue; preliminary results should emerge in early 1972/73;

(ii) Investigations will be carried out regarding industrial use of Lake Natron Soda;

(iii) The second stage of the pre-investment study of the Liganga titaniferous iron ore and related coal deposits will start in June, 1972, and will conclude, following further technical tests, in early 1973. The possibility of vanadium extraction is part of the study;

(iv) Investigations on Tin mining in Karagwe will be carried out;

(v) The geological mapping and mineral reconnaisance project will continue until 1974, at the same time evaluation will be made of the progress for possible follow-up of the work so far completed;

(vi) A detailed technical feasibility study of establishing plants for cement and cement products near Mbeya is expected to be completed in 1972/73;

(vii) Coastal Salt Development investigations will be undertaken with a view to project preparation;

(viii) Additional technical assistance resources will be devoted to mineral reconnaisance in the hinterland of the Tan-Zam Railway.

(d) *Issues to be resolved:*

(i) For some years it has been felt that the existing organization for mineral development has been unsatisfactory, and that better commercial results could be obtained even from known information on deposits. 1972/73 will witness the setting up a new mining parastatal to improve the commercial orientation and results from mineral investigation work;

(ii) The proposed mineral-based industrial complex in South-West Tanzania will be investigated during 1972/73, by Devplan and Mincom;

(iii) A diamond production plan for Mwadui taking into account the value to the country of the additional scarce foreign exchange earned by extending the life of the mine, has been prepared, and is at present being reviewed.

(h) HOUSING

(I) Developments in 1971/72

Total public sector expenditure on housing amounted to Shs. 92·7 million, for about 3,000 housing units. Of this total, the National Housing Corporation built 1,154 low cost and 899 medium cost housing units, at a total cost of Shs. 43 million. About 1,700 residential sites were made available. The National Housing Corporation maintains a waiting list of some 21,000 units and there are 6,000 applications for plots in Dar es Salaam alone.

(II) Objectives in 1972/74

The total funds available to N.H.C. in 1972/73 will be Shs. 2·5 million from government for low cost housing. In 1973/74, Shs. 5 million will be available for low cost housing; in addition to Shs. 5·8 million for the Buguruni Urban Renewal Project. These expenditures will yield about 312 low cost units in 1972/73 and 624 low cost units in 1973/74.

One of the major dilemmas facing the N.H.C. is that the low cost units in a rental range affordable by the majority of low income workers are generally unacceptable because they are too small; yet the economic rent for the minimum acceptable unit (consisting of two rooms with separate cooking and toilet facilities) is out of reach for low income groups.

Considerable work by an inter-ministerial working party has been put into the formulation of a comprehensive policy for urban housing. Among the major points under discussion are:—

(i) The implementation of the decision to set up a National Housing Bank capable of servicing, among others, the housing needs of the lowest income groups, with low interest material loans;

(ii) The potential of housing co-operatives to assist in structuring self-help housing developments and as a means of securing material loans from the National Housing Bank;

(iii) The role of N.H.C. in contributing to the national stock of housing;

(iv) The role of Transitional Urban Housing (squatting) as a potentially substantial self-help technique for the provision of urban housing;

(v) Appropriate standards of site and service schemes in order to speed up the provision and lower the cost of residential plots, and thus control future squatting; and

(vi) Formulation of a clear policy on parastatal housing.

(i) CONSTRUCTION

(I) Developments in 1971/72

The government took major steps to strengthen the capacity and increase public participation in construction; and thereby gain a measure of control over the sector. In so doing, responsibility for the major construction parastatals MECCO and NEDCO were consolidated under Comworks and an ambitious expansion programme was approved for each. NEDCO, formerly N.P.D.M.C., was totally restructured as a broadly based architecture and engineering consultancy.

(II) Objectives for 1972/74

In order to cope with the reduced construction capacity, the government has authorized MECCO to undertake an expansion programme of 20 per cent yearly. With a current turnover of Shs. 48 million, this means that MECCO should be expanded to a capacity of about Shs. 69·12 million by the end of 1974. In line with their responsibility to develop manpower for the construction sector and their immediate expansion plans, MECCO will devote considerable resources over the next two years to a training programme for skilled workers and management personnel. NEDCO is also charged with manpower training responsibilities for technical personnel in the areas of architecture and engineering. The 1972/73 expenditures in public sector building construction are expected to remain about the same as the previous year at Shs. 292·7 million, but they should rise in 1973/74, to about Shs. 350 million. However, because of escalating costs, the amount of actual building activity will rise only slightly. Private sector residential building construction fell off during 1971/72 but should remain constant through 1972/73, at close to Shs. 26 million. Non-residential private building construction declined by 19 per cent in 1971, and is expected to fall still further in 1973/74 as the larger private projects begun prior to the Acquisition of Buildings Act are completed.

Efforts will be made this year by Comworks, in conjunction with Devplan, to exert a degree of central control over new building and construction works, in order to avoid traditional peak period price escalations, and in an effort to keep building design economical and to reduce their import contents. This activity will be reinforced by the inclusion this year of parastatal capital expenditures in the annual planning process and by the government directive that all future government and parastatal building projects are to be handled by Comworks, as the client's representative.

(III) Issues

Given the current decline in the building sector capacity and MECCO's relatively modest expansion programme, there is need to strengthen Comworks construction capacity, particularly up-country. This should be considered as a first priority if the construction comitments of the yearly development programme are to be met.

(j) URBAN DEVELOPMENT

(I) Developments in 1971/72

The urban areas continue to attract rural migration and to expand at a relatively constant pace. Population in the urban areas now stands at about 835,100, an increase of 6·6 per cent over the previous year. The Urban impact of development expenditures has increased slightly over the past year and now stands at Shs. 445·7 million or 42·4 per cent of the total budget. Direct expenditures in the fifteen largest towns, including government grants to Local Councils and Local Government expenditures, total Shs. 291·1 million.

(II) Objectives for 1972/74

The urban impact of expenditures will, in 1972/73, at Shs. 336·1 million, be somewhat reduced from the previous year.

Master Plans for Tabora, Mbeya, Iringa and Morogoro will be completed in preliminary form this year. New Master Planning work will be started in the five other designated growth towns.

Government will, in 1972/73, for the first time in its history, have a full complement of town planners, 7 Tanzanians and 15 expatriates. In addition, Ardhi now has eight students completing post-graduate planning studies. Four to six more students will very likely begin studies this year. The government will launch the first year of a new three year training programme for town planning assistants. The programme will be carried out at the Ardhi's survey school in Dar es Salaam and is expected to have an intake of up to 20 students per year.

Provision of basic services will continue at both Buguruni and Tabata East, with the first quadrant of Kijitonyama scheduled for completion in 1973.

Within the context of Regional Planning, there is a definite need to focus on the relationships and interdependencies between urban and rural development.

(k) TOURISM

(I) Main Developments in 1971/72

(a) Major Undertakings

(i) *Infrastructure:*

(a) Completion of Kilimanjaro International Airport in December, 1971;
(b) Continuation of work to establish Marine Parks;
(c) Continuation of work to establish a National Park on Mount Kilimanjaro;
(d) Completion of renovations to Dar es Salaam International Airport which will help to facilitate the handling of increased tourism traffic flows;
(e) Completion of the Morogoro–Mikumi section of the Tanzam road, improving access to Mikumi National Park;
(f) Completion of the Dar es Salaam—Selous Game Reserve section of the Tanzam Railroad, improving access to the Reserve; and
(g) Continuation of the work on the development of the Arusha–Mwanza road, which will improve access to Lake Manyara and Ngorongoro Crater and open the areas west of those destinations for possible tourism development in the future.

(ii) *Hotels:*

(a) Completion of Mafia Island Lodge in December, 1971;
(b) Completion of the extension of Lake Manyara Hotel to 200 beds;
(c) Completion of the 96—bed Mawenzi Hotel in Dar es Salaam;
(d) Completion of the Africana Beach Hotel expansion programme;
(e) The opening of Capon's Camp for safari hunters in the Selous Game Reserve; and
(f) The finalization of planning for Mount Meru Hotel, Arusha.

(iii) *Operations:*

(a) The A.D. Little Report was received in December, 1971 and is now being evaluated; and

(b) Several action-oriented co-ordinating committees have been formed in the government's tourism sector. These have proved invaluable in identifying problems, formulating solutions and delineating responsibility for implementation to achieve the desired results.

(b) Progress Towards Planned Objectives

(i) *Second Five Year-Plan Objectives:*

(a) *Visitor Arrivals and Bednights.*—The SFYP envisaged that the total number of visitors would be about 72,000 in 1970, on its way up from 40,000 in 1968 to 120,000 in 1974. Actual total visitors in 1970 equalled 69,819—very close to the target. However, the SFYP assumed that the average length of stay would be about 7 days, and projected total visitor bednights accordingly, growing from an assumed 280,000 in 1968 to a projected 840,000 in 1973. Actually the average length of stay was not 7 days in 1968 (it was 6·2 days) and it has been falling since (1969: 5·8 days 1970: 5·4 days), with the result that total visitor bednight targets are not being met.

(b) *Hotel Construction.*—About 2,215 beds are currently under construction or have become fully operational since the beginning of the Plan period.

(c) *Construction Costs.*—Capital costs in existing public and private sector hotels have been analysed. Recommendations on appropriate construction costs have been reviewed. Both studies indicate that public sector hotels to date have been too expensive. In view of the hotel projects currently being planned, it has been possible to substantially reduce the estimated construction costs.

(d) *Other SFYP Objectives.*—Existing demand in the North is being met, except for peak season demand at Manyara and Ngorongoro; the new Kilimanjaro International Airport has served to link the northern wildlife areas with the beaches; Tarangire National Park has been established and Mount Kilimanjaro National Park is being established; work is underway to improve the international marketing of Tanzania's tourist attractions; and Marine Parks are being established.

(ii) *Annual Plan (1971/72) Objectives:*

(a) Localization of Management: While the Government has again been able to send trainee hotel managers abroad for training, more efforts are required to provide experienced management personnel to work in Hallmark, the management company, in order that the localization of the company be not delayed.

(b) Localization of transport: Tanzania Tours has expanded in the Dar es Salaam area and in the North.

(c) Localization of construction, furnishing and food supplies: Work is underway in this area in co-operation with the Hotel and Catering Association of Tanzania.

(d) The formulation of detailed plan for the future development of the sector: This plan, based in part on the A.D. Little Report, is now being prepared. The Plan will include recommendations regarding the extent of desired development, the kind of development envisaged, the means of development and the role of the private sector in planned development.

(II) Objectives for 1972/74

(a) *Operational Objectives:*

(i) Increase bed occupancy rates in tourist hotels to at least 50 per cent in order to improve the profitability of hotels and increase the utilization of existing tourist facilities, particularly the National Parks. This will mean increase in visitor bednights in these hotels of approximately 140,000 by 1973 and an increase in the number of holiday visitors of approximately 20,000 by 1973;

(ii) Improve and develop local manpower in the sector to localize management and improve services;

(iii) Improve international marketing; and

(iv) Protect existing coastal resources against various forms of deterioration.

(b) *Development Objectives:*

(i) Complete projects currently underway (see below); and

(ii) Implement the new tourism development Plan now being formulated, as and when approved by the Government.

(III) Implementation Programme

(i) *Overseas Marketing.*—The basic marketing strategy will continue to be to acquaint the travel trade (rather than the potential tourist directly) with Tanzania's tourist attractions. In order to do this, more co-operation between the public and the private sector and more co-operation within the government sector will be required. The basic tactic of bringing foreign travel agents and tour operators to Tanzania will be continued. There must be a general increase in sales aids and in general information about Tanzania for consumption by the travel trade and, to a more limited extent, the foreign public.

(ii) *Manpower Development.*—A more active role will be taken in the development of tourism manpower for both the Government and the private sector. A comprehensive manpower development programme is required;

(iii) *Preservation of Coastal Resources.*—Marine Parks will be established in the coming year. A more detailed study of the beach and marine ecology as well as steps to halt the deterioration of these areas will be required;

(iv) *Completion of existing projects.*—Serengeti Safari Lodges will be completed. Additional boats will be provided for the beach hotels. T.T.C. will endeavour to secure financing for the additional vehicles required to take over the Ngorongoro Crater tourist vehicle concession. A National Park will be established on Mount Kilimanjaro. Work will continue to finalize the financing and construction of Mount Meru Hotel in Arusha.

(IV) New Issues

(i) The need for more intensive marketing: It has in the past been assumed that there existed a substantial unmet demand for tourist facilities in Tanzania and all that was required was the construction of more hotel beds. It is now apparent, however, that much more effective marketing overseas will be required if Tanzania's existing tourist resources are to be fully utilized;

(ii) Beach preservation: The need to preserve the beaches against possible deterioration has been recognized. It is essential that action be taken to protect the existing Shs. 40,000,000/- investment on the beaches.

(I) HEALTH

(I) Developments in 1971/72

In response to the TANU directive that health services be accorded much higher priority in the national development effort and also on the basis of its own analysis, the Government during 1971/72 began pressing the reorientation of national health services in favour of the rural areas. The 1971/72 development budget was 90 per cent utilized, and eight of the nine health programmes funded were implemented, a marked improvement over performance during the previous two years. Two outpatient centres were established, at Morogoro and Kinondoni. 496 new hospital beds were opened, to bring the national total 17,167, about one bed per 750 people. The new Vaccine Plant at Mabibo, Dar es Salaam commenced operations. The Rural Medical Aids School at Mkomaindo was completed and is now in operation. Eight new rural health centres were completed during the year, and seven more were still under construction at year's end. In addition, ten centres were established in former dispensaries or taken-over voluntary agency facilities, to bring the national total to 94 which is 32 per cent more than the 69 in operation at the end of 1970.

Other important objectives were attained during the year. A planning unit was established, and the beginning of a comprehensive plan for health service development was drawn up. Several research projects were initiated. Health manpower production was increased, and a basis was laid for further future increases in Medical Officer, Medical Assistant, Rural Medical Aid, Laboratory Assistant, Nurse and other paramedical training outputs. Responsibility for the Social Welfare Division was shifted to the new Ministry of Labour and Social Services. As parts of the general centralization of the government, and as a first step toward strengthening Afya's administrative machinery, the organization and management practices of the Ministry were closely examined. The resulting recommendations for the re-organization of the Ministry will be implemented early in the new year.

(II) Objectives in 1972/74

The development strategy embodied in the 1972/73 programme involves emphasizing the expansion of the rural health centre and dispensary net-work, strengthening preventive programmes through the establishment of mobile teams to serve the rural areas, and expanding training facilities for the paramedical cadres required for rural service, while attending to only the most urgent capital requirements of the District and Regional hospital network. For 1972/73, the health development programme has been almost tripled. About 38 per cent of the health development budget will be allocated to rural health centres and dispensaries, about 11 per cent will be spent on preventive programmes, 19 per cent will be devoted to training facilities and 29 per cent will be spent on hospital services, leaving 3 per cent for ancillary services. In addition, an amount equivalent to about 11 per cent of the development budget will be allocated to the construction of the Pharmaceutical Plant, not strictly a health project. Virtually all of the development funds will be utilized in the Regions. The development programme clearly reflects the shift in emphasis toward the rural areas.

(i) *Rural Health Centres and Dispensaries:*

During 1972/1973, nine new rural health centres will be built, in Mbulu, Bagamoyo, Kondoa, Chunya, Kwimba, Iramba, Tunduru, Biharamulo and Kasulu Districts. In addition, two voluntary agency health facilities will be converted to rural health centres during the year, bringing the national total to 105 by the end of the year. At the same time, funds will be spent on much-needed improvements to existing rural health centres and on renovations and improvements to existing dispensaries.

(ii) *Preventive Services:*

Nutrition services will be extended, environmental sanitation programmes will be strengthened and several preventive programmes, including the establishment of six mobile terms for service in isolated rural areas, will be initiated.

(iii) *Training:*

A new Rural Medical Aids School will be established. "B" Nurse and Medical Assistant Training facilities will be expanded to full capacity. A psychiatric nursing school will also be established. Finally, the comprehensive health manpower plan now being prepared with emphasis on a very rapid expansion of Rural Medical Aid and Medical Assistant cadres will be completed.

(iv) *Ancillary Services:*

Four zonal medical stores will be established. New pathology laboratories at Mbeya and Kigoma will be built. Mental rehabilitation villages will be established at Mbeya and Mwanza. In addition, the traditional medicine research programme will be revived.

(v) *Hospital Services:*

The major projects funded under the Hospital Services sub-vote are the long-overdue establishment of Mufindi District Hospital and major improvements to Musoma Regional Hospital and to Shinyanga Regional Hospital. The intensive care unit at Muhimbili Hospital will be completed. In addition, a wide variety of urgently required improvements

o the District and Regional hospital network will be effected. In all 275 beds will be added to the national total of 17,167 during 1972/73, about enough to keep pace with population growth. It should be noted that these hospital bed additions have been directed to areas of greatest need and will serve to redress some of the existing imbalances in the Regional allocation of hospital beds.

The development budget ceiling for Afya in 1973/74 will be about 38 per cent higher than in 1972/73 and about four times the 1971/72 allocation, reflecting the high priority accorded health services development. The Pharmaceutical Plant will be completed.

It is envisaged that in 1973/74 about 32 per cent of the development budget will be allocated to rural health centres (another 16 will be established, one each in Arusha, Kisarawe, Dodoma, Iringa, Mufindi, Njombe, Kilwa, Sumbawanga, Karagwe, Kilimanjaro, Mbeya, Ulanga, Geita and Nzega Districts, and two in Maswa District), about 11 per cent of the development funds will be spent on further urgently required improvements to rural dispensaries; about 14 per cent will be used for preventive programmes, including another six mobile health teams for public health education work in isolated rural areas; about 16 per cent will be devoted to training facilities for paramedical health workers required for rural service, and about 25 per cent will be used for further improvements to Hospital Services, leaving about 3 per cent for Ancillary Services. This tentative budget reflects even more strongly than the planned 1972/73 programme the commitment of the Government to the strengthening of preventive services and the emphasis on rural health service development.

In addition to the project implementation objectives described above, the Ministry will pursue several other equally important development objectives.

Health planning will be emphasized. The Planning Unit will be strengthened. The research programmes initiated in 1972/73 will be continued and extended. A major effort will be made to develop plans for the control of such endemic diseases as malaria, bilharzia, leprosy and desentery. During 1972/73, a comprehensive plan for development over the last year of the Second Five-Year Plan period and the Third Five-Year Plan will be formulated.

The planned Nutrition Institute has been re-examined. It is expected that the project will be implemented during the coming two years, with a much greater emphasis on the need for interministerial co-ordination of ongoing nutrition work, training and new programmes development and correspondingly less emphasis on pure research than was embodied in the original plans for the project.

Finally, the Government intends to devote considerable attention during the coming years, and in formulating the new health development plan, to ways and means of improving co-ordination with the many voluntary agencies active in the health sector.

(m) SOCIAL WELFARE DIVISION

The emphasis in development activity in the Social Welfare field in 1971/72 was on the provision of services for juvenile offenders and the care of destitutes. The Approved School for juvenile deliquents was moved from Malindi to Irambo in 1970 but the building programme to develop the accommodation and training facilities required did not start until 1971/72, and has not yet been completed. Two new Remand Homes for the temporary care, observations and assessments of juvenile offenders were completed at Arusha and Mwanza.

Destitute Centres were built in Dodoma and Mwanza. The planned development programme for children's Day Care Centres is, however, running behind schedule.

During the coming year, the two new Remand Homes will commence operations. The two additional homes planned for Bukoba and Mbeya will be started at a later stage. Experience gained over the last five years suggests that greater understanding and more careful supervision of juvenile deliquents in their own homes is accompanied by an encouraging reduction in the number of offenders being committed to the Approved School.

The two Destitute Centres at Dodoma and Mwanza built in 1971/72 will also come into operation in 1972/73.

The second phase of the Yombo Rehabilitation Centre in Dar es Salaam was started in 1971/72 and will be completed in 1973/74. This programme for vocational rehabilitation and developing the self-reliance of physically handicapped and crippled persons is growing rapidly and requiring a larger proportion than intended, of the accommodation and facilities at Yombo originally planned for destitute care as well as rehabilitation services. Expert assistance has been made available and the programme has been extended to serve handicapped persons from other areas of Tanzania.

It appears that it will be necessary to develop a separate centre for destitute care for Dar es Salaam at Nunge, as soon as possible.

Construction of staff accommodation at Irambo Approved School will start in 1972/73. It is clear that the original sophisticated housing plans at Irambo cannot be afforded and it will be necessary to devise a much less expensive solution to the staff housing problem there, possibly using the self-help labour that can be made available at the School.

The Child Welfare programme will be further developed during the next two years. Greater emphasis will also be given to the family welfare programme, to which continually increasing numbers of families and individuals are being referred.

The urgent need for more extensive training for social welfare staff and the growing complexity of the problems referred to them require more than the in-service training now provided. A Diploma Course in Social Welfare for social services personnel is now being developed, and will be established during the next two years, probably as a part of the programme at the Institute of Developent Management at Mzumbe, Morogoro.

(n) HUMAN RESOURCE

1. General

The policies of Government regarding education in the Second Five-Year Plan (which are basically the same as those being followed in the First Five-Year Plan) are:

(i) To achieve essentially full-self-sufficiency at all skill levels in the economy by 1980;

(ii) to give every Tanzania child a basic seven years primary education as soon as the financial circumstances of Government permit; and

(iii) to provide additional or further education only to the extent justified by the Manpower requirements of the economy for development.

Education expansion and training continued to develop along those policy lines at every level of the education system. The first task of primary education expansion is to abolish the Std. IV to V examination by 1973, while Std. I enrolment also continues to grow (see Section on primary education). Enrolments at other levels have continued unabated as shown in the table below but for the Teacher Education where owing to lack of resources planned Colleges of National Education could not be constructed; technical Education (owing to delays in the opening of the Second Technical College) and also Higher Education (owing to delay in the opening up of the Faculty of Engineering and the expansion of the Faculty of Medicine).

ENROLMENTS AT DIFFERENT LEVELS OF EDUCATION IN PUBLIC INSTITUTIONS 1961—1972(1)

Table 15

Level of Education	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972 (Estimated)	1974 (Target)
A. PRIMARY EDUCATION:													
(i) Std. I Input	121,386	125,521	136,496	140,341	149,341	154,512	157,196	155,802	157,986	172,576	190,091	205,000	208,400
(ii) Std. VII Output	11,740	13,730	18,444	24,637	33,892	46,816	51,460	75,381	60,790	65,624	70,502	85,000	107,900
(iii) Std. I—VII Population (2)	486,470	518,663	592,104	633,678	710,200	740,991	753,114	765,169	776,109	827,974	902,609	982,000	1,140,000
No of Teachers all Grades ...	9,567	10,273	11,100	12,044	13,576	14,809	15,271	16,787	16,577	17,790	20,819	23,400	35,400
B. SECONDARY AND TECHNICAL:													
(a) *Secondary Education:*													
(i) Form I Intake ...	4,196	4,810	4,972	5,302	5,942	6,377	6,635	6,989	7,149	7,372	7,570	7,740	8,160
(ii) Form IV Output ...	1,603	1,950	2,839	3,630	4,558	4,720	5,004	5,763	6,328	6,713	7,044	7,300	7,300
(iii) Form V Intake ...	236	286	497	616	780	826	895	1,214	1,410	1,506	1,608	1,670	1,870
(iv) Form VI Output ...	176	199	258	463	603	761	814	929	1,226	1,339	1,436	1,600	1,730
(v) Form I—VI Population	11,832	14,175	17,176	19,897	21,915	23,836	25,551	28,043	29,958	31,217	32,603	33,500	34,500
(vi) No of Teachers all Grades	764	789	817	858	1,064	1,151	1,306	1,336	1,474	1,658	1,706	1,800	1,900
(b) *Technical Education:* Dar es Salaam Technical College	1,446	478	234	518	697	515	577	598	501	639	652	800	1,000
(c) *Teacher Training all Courses:* First Year	909	942	933	1,180	1,135	1,390	1,228	1,292	1,603	2,328	2,826	2,950	2,850
C. HIGHER EDUCATION:													
(i) Intake—Universities in East Africa(3)	60	102	109	173	330	369	511	563	613	704	710	780	1,200
(ii) Output—Universities in East Africa	—	45	23	86	73	107	174	303	341	559	582	650	760
(iii) Intake—Overseas ...	—	348	335	303	246	137	190	108	139	472	479	350	273
(vi) Output—Overseas ...	—	150	200	335	335	368	330	143	104	120	444	570	100
U.E.A. Enrolment (All Faculties)	184	208	305	407	642	740	1,313	1,498	1,975	2,028	2,099	2,230	2,790
At Universities Overseas ...	627	718	675	720	778	807	713	611	812	1,522(4)	1,561(4)	1,720(4)	1,200

Source.—Ministry of National Education, Directorate of Planning and Development.

(1)Excluding Non-Graduate Course except Universities overseas which include non-graduate courses.

(2)Std. VIII was discontinued from 1968 onwards.

(3)THIRD LEVEL (HIGHER EDUCATION)—The University of East Africa was split into three autonomous Universities as on July, 1970.
This institution of Higher Education in Tanzania is referred to as THE UNIVERSITY OF DAR ES SALAAM.

(4)Including Diploma Courses.

The Ministry of National Education plans to spend a total of Shs. 73,773,000/- (Internal = Shs. 32,100,000/- and External = Shs. 41,673,000/-) covering 54 projects (see Table on ministerial programme.) This expenditure represents about 25 per cent over the 1971/72 provision of Shs. 58,642,200/-. Provisions for 1971/72 and 1972/73 are high because these are the peak periods of the Senond Five-Year Plan during which most projects are due for completion in part or in full.

Secondary education expansion with 31 projects comprises the largest programme, taking about ⅓ of the total provision. It is important that this programme proceeds uninterrupted not only because it is a committed development but because any further delay will dislodge all our plans for planned enrolment growth at forms 1 and 5. On adult education, the main problem still remains that of poor transportation. But it is believed that with the existing numbers of vehicles in the field now under the Adult Education programme, plus the possibility of mobilizing vehicles belonging to other Ministries and Divisions in view of the new regional organization, it should be possible to carry on the Adult Education programme successfully and unimpeded, provided that the recurrent funds provision is adequate.

The eradication of illiteracy in Mainland Tanzania takes the form of functional literacy: practical and useful skills and knowledge, for socio-economic advancement and cultural rediscovery are integrated into reading and writing together with simple arithmetic lessons.

In 1972/73, Adult Education programmes aim at turning 1,400,000 illiterates into literate Adults: and to achieve this the following steps are called for:—

1. Preparations are underway to engage 40,000 honorary teachers for this purpose.
2. Each Region has to select one District which will wipe out illiteracy by May, 1973.
3. All established Ujamaa Villages have to wipe out illiteracy among their Wajamaa by May, 1973, and to set up a machinery to de-illiterate new Wajamaa in their first six months of joining a village for this purpose.
4. The six Districts selected in 1971 to wipe out illiteracy are to finalize their de-illiteration in 1972/73.
5. All industries and factories have to eradicate illiteracy among its workers by May, 1973, and simulteneously to start post-literacy classes relevant to the advancement of their already literate workers by May, 1972, and to continue doing so.
6. The Upanga Literacy Printing Press has to publish, within its capacity, the required Primers and follow-up materials for this purpose.

While some projects are planned for completion in 1972/73, some will continue into 1973/74 (and probably beyond).

2. Primary Education

Because of financial constraints, 1971/72 was not a very satisfactory year for primary education. Only 272 new Standard I classes and 466 Standard V classes were opened. Although financial constraints will continue, primary educations will be expanded in 1972/73 by opening up 368 new Standard I classes and 586 new Standard V classes. Enrolment of Standard I is expected to rise from 190,000 p.a. to 250,000 p.a.—a figure slightly above the plan target. By 1973/74, it is expected to abolish the Standard IV to V examination altogether.

It is also hoped that the decentralization programmes of the government machinery will improve the implementation of capital programmes at District level.

3. Secondary Education

There are 31 projects in this category to be implemented in 1972/73. It is estimated to spend a total of Shs. 34,113,000/- and that the majority of the projects will be completed in 1972/73, while 9 have been completed or are nearing completion this year (1971/72), leaving about 10 to be completed in 1973/74.

4. Teacher Education

In 1972/73, the Teacher Education programme will comprise a total of 9 projects. Another new project not in the 1971/72 programme is Monduli College of National Education where it is planned to erect an agricultural unit with aid from the Tanzania High Education Trust Fund Board (THEFT). About 4 out of the 9 projects are planned for completion in 1972/73 while the rest may be completed in 1973/74.

5. Higher Education

This is a continuing programme of 6 projects estimated to cost, in 1972/73, a total of Shs. 9,490,000/-. In fact, 2 of them (Science Extension No. 2—Chemistry and BRALUP Building) are due for completion this year (1972). Dag Hammarskjold House is yet another project which is very close to completion. The Faculties of Agriculture and Engineering cover the longest building span and will extend into 1973/74.

Expansion of the Medical Faculty will start in 1972/73/74.

6. Technical Education

Under this programme are included projects for technical as well as commercial and business education expansion. The 1972/73 programme consists of 7 projects. Except for two projects (Moshi Technical School and Ifunda Technical School) the rest continue into 1973/74.

Two more projects: the expansion of the Dar es Salaam College of Business and the second Technical College to be built in Arusha will be carried out in 1972/73/74.

In order to augment the supply of ex-Form IV students from Technical Schools into the Dar es Salaam Technical College, six technical streams are planned to be opened in existing ordinary secondary schools by converting two of their four ordinary streams.

(o) MINISTRY OF INFORMATION AND BROADCASTING

During 1971/72, the Ministry of Information and Broadcasting continued work on two major projects, the Audio-Visual Institute and the Booster Station Programme. These two projects will be completed over the next two years.

The Audio-Visual Institute will serve many government Ministries through stocking and maintaining a national education film library. Preparations for the construction of the Institute were completed in 1971/72. Construction will begin early in 1972/73 and be completed in 1973/74.

Booster stations at Mbeya and Mwanza, designed to reinforce the Radio Tanzania signal from Dar es Salaam, will be completed early in the new year. In addition, construction of the booster station at Arusha, for which plans were finalized in 1971/72, will begin in 1972/73 and be completed early in 1973/74.

Over the next two years, Radio Tanzania's Dar es Salaam transmitter will be replaced by a new facility at Mabibo.

PART IV

REGIONAL AND RURAL OBJECTIVES, PROGRAMMES AND ISSUES

(a) Decentralization of Government

The most important change in the planning structure in 1972 is the decentralization of many government functions to the Regions. Last year's Annual Plan pointed out the problems raised by the highly centralized structure of government existing at the time: "Regional and District heads tend to work vertically to their ministries rather than horizontally as members of Regional/District teams. Decisions are still largely made in Dar es Salaam, with insufficient reference to, or consultation with either Regional Officers or the Regional Development Planning Committees. High-level manpower and decision-making power are concentrated at the centre, and the regions have little scope for initiating or influencing projects. This has led to urban bias in project preparation and implementation, poor co-ordination at the project level, and an undesirable separation of the planning process from the people for whom the plans are made".

Decentralization of responsibility for development planning and plan implementation was the answer to this. A new type of Regional and District administration is being created in which the civil servants in the Region or District will work together as a team to draw up their development plans and will have the responsibility for implementing these plans. Thus, for example, the Regional Medical Officer will no longer be responsible to the Ministry of Health in Dar es Salaam. He will instead be directly responsible to the Regional Administration, although he will continue to receive advice and certain technical services from the Ministry.

To operate this new system, the Regional Administrations are being remodelled. Each Regional Administration will now be similar to a Ministry, with the Regional Commissioner as the political head, just as a minister is the political head of his Ministry. The senior civil servant under the Regional Commissioner will be the Regional Development Director (R.D.D.) who will have the job of co-ordinating development planning and plan implementation, and will be financially responsible and accountable in the same way as the Principal Secretary of a Central Ministry. He will be assisted by three senior staff officers—a Regional Planning Officer, Regional Financial Officer and Regional Personnel Officer—and Regional Functional Managers for Crop Development, Livestock Development, Water, Works (roads, and buildings), Lands, Ujamaa and Co-operatives, Natural Resources, Commerce and Industries, Health and Education.

To provide an effective forum for discussion and decisions, the present Regional Development Committees will be retained, but reduced in size from their present level of over fifty members to a more managable size of not more than 25 members. These will include the Regional Commissioner, Regional TANU Chairman, R.D.D., Regional Officers and Functional Managers, Members of Parliament, District Development Directors and Area Commissioners.

Regional Administrations will all report to the Prime Minister's Office. This office, in consultation with Devplan and Treasury, will have the responsibility for co-ordinating their planning and budgeting. It will also be responsible for presenting the Regional budgets in the annual budget exercise of Central Government.

The main level at which the execution of development programmes takes place is, however, the District. Districts will be given similar administrative structures to Regions. District Development Directors will come under the authority of the Regional Development Director, and will control District Staff Officers (Planning, Personnel and Finance) and District Functional Managers.

The present District Councils will be transformed into *District Development Councils* which will include the District TANU Chairman, the Area Commissioner, Local Councillors, MPs., the District Development Director, District Staff Officers and Functional Managers. The District Council's formal responsibility for providing services such as health facilities, primary education and roads, which had in effect, largely passed to Central Government in recent years, will be taken over by the new District Administrations, under the authority of the new Regional Administrations.

These changes do not at present affect Municipal and Urban Councils, but their structure and organization are being reviewed in the light of the decentralization measures. Ward Development Committees will continue to exist with approximately their present structure. Thus there will be a continuous chain of development committees from Ward to Regional level, each reporting to the level above, and providing development and planning initiatives. Regional Development Committees will have ultimate responsibility for co-ordinating the plans of Development Committees at lower levels, and managing the regional development programme.

All existing government programmes (recurrent as well as development) have been designated as either "Regional" or "Central" responsibility. Since the main aim of the decentralization is to place the responsibility for raising living standards on the local people and their local institutions, the activities that have been decentralized are those of the "development" ministries: Kilimo, Maliasili, Maji, Comworks, Ardhi, Mincom, Prime Minister's Office (Maendeleo), Elimu, Afya and Labour.

Some programmes of the "development ministries" will also have to remain a central responsibility for administrative or economic reasons, or because the majority of the people who benefit are not in the Region where the project is located. These include trunk roads, secondary and higher education, research, training and national (consulting) hospitals. There are also various centrally managed teams or units that cannot efficiently be split up, but whose services can be hired by the Regions, for example, borehole/drilling teams. Central Ministries will continue to determine strategy and national policies in the respective sectors.

National praastatals are outside the central government structure, and normally benefit from some form of central management. The decentralization of government will not apply to them, but in a number of cases, such as S.T.C. and T.R.D.B., there will be administrative decentralization within the existing companies. Similarly state farms, which should eventually come under parastatals will not be decentralized.

The new Regional Administrations will start to operate from the beginning of the 1972/73 financial year. By this time, the senior civil servants in the new structure will have been in their posts for several months familiarizing themselves with their regions' potentials and problems.

The new Regional Administrations were thus not in operation in time to take part in the 1972/73 Annual Plan and budget exercises. This year's budgets have therefore been drawn in the same way as in previous years. But, from July, 1972 the new Regional Administrations will take over control of all projects and programmes designated as of Regional responsibility.

Development Budget expenditure on projects of regional responsibility is shown in Table 12 of Part 2 (d). It can be seen that under the old central budgeting system they would have made up 41 per cent of the development budgets of the ten development ministries, or 20 per cent of total Central Government development expenditure (including transfers to parastatals). These percentages are expected to rise in future years.

It cannot, however, be overemphasized that the decentralization is more than a reorganization of the budgeting system. The objective of decentralization is to mobilize the people in decision making and development effort. This includes planning for production and social development as well as financial planning. In future definite performance targets will be set e.g. agricultural production plans, plans for health improvement—and the Regional and District plans will be programmes aimed at reaching measurable performance targets. In this way they can achieve the aim stated in the Second Five-Year Plan of basing the Third Five-Year Plan on co-ordinate Regional plans.

(b) Rural Development Effort.

1971/72 was a further year of expansion in the rural development effort. Progress in the main rural programmes—Ujamaa Villages, District Development Corporations, rural credit, and rural health, education and water—is dealt with in the Economic Survey. Outstanding aspects have been (i) the expansion of the Ujamaa Village programme; (ii) growth in rural credit, and (iii) the development of adult education. Planned developments in the rural sector in 1972/1973 are reviewed in the remainder of the Chapter.

One way in which the government's rural development effort can be measured is by estimating the share of development expenditure which is going into rural projects whose main impact is on rural areas. For this analysis, all expenditure has been divided between (i) expenditure benefitting rural areas (e.g. rural feeder roads, rural water supplies); (ii) expenditure benefitting urban areas (e.g. urban roads, urban housing); and (iii) "national infrastructure" projects, (e.g. national defence, prisons) for which no meaningful allocation can be made to "urban" or "rural" categories. Some projects have an impact on both urban and rural areas (e.g. trunk roads).

This exercise has unavoidable arbitrary element, but so long as it is done consistently, provides a good indicator of the general direction in which we are progressing.

The following tables analyse the development expenditure of both government and parastatals. Expenditure on TAZARA has been excluded, since this is such a large single item that it dominates all other expenditure:

ALL MINISTRIES (EXCLUDING TRANSFERS TO PARASTATALS)

Table 16

Shillings '000

	1970/71 Actual	1971/72 Budgeted	1972/73 Budgeted	1973/74 Forward Budget	SFYP Total
National	103,535	169,061	159,137	149,941	177,427
Urban	198,528	160,673	141,171	152,180	134,599
Rural	278,201	271,783	340,111	350,834	549,577
Total ...	580,264	601,517	640,419	652,955	861,603

% of total

	1970/71 Actual	1971/72 Budgeted	1972/73 Budgeted	1973/74 Forward Budget	SFYP Total
National	17·8	28·1	24·9	23·0	20·6
Urban	34·2	26·7	22·1	23·3	15·6
Rural	48·0	45·2	53·0	53·7	63·8
Total ...	100·0	100·0	100·0	100·0	100·0

ALL PARASTATALS (INCLUDING OWN RESOURCES AND BORROWING)*

Table 17

Shillings '000

	1970/71 Actual	1971/72 Budgeted	1972/73 Budgeted	1973/74 Forward Budget	SFYP Total
National	—	100	1,250	300	Comparable Data Not Available
Urban	244,109	285,296	224,879	200,990	
Rural	152,111	165,155	196,289	165,871	
Total ...	396,220	450,551	422,418	367,161	

% of total

	1970/71 Acutal	1971/72 Budgeted	1972/73 Budgeted	1973/74 Forward Budget	SFYP Total
National	—	—	0·3	0·1	Comparable Data Not Available
Urban	61·6	63·3	53·2	54·7	
Rural	38·4	36·7	46·5	45·2	
Total ...	100·0	100·0	100·0	100·0	

Table 18 ALL MINISTRIES AND PARASTATALS* Shillings '000

	1970/71 Actual	1971/72 Budgeted	1972/73 Budgeted	1973/74 Forward Budget	SFYP Total
National	103,535	169,161	160,387	150,241	Comparable Data Not Available
Urban	442,637	445,969	366,050	353,170	
Rural	430,312	436,938	536,400	516,705	
Total ...	976,484	1,052,068	1,062,837	1,020,116	

% of total

	1970/71 Actual	1971/72 Budgeted	1972/73 Budgeted	1973/74 Forward Budget	SFYP Total
National	10·6	16·1	15·1	14·7	Comparable Data Not Available
Urban	45·3	42·4	34·5	34·6	
Rural	44·1	41·5	50·4	50·7	
Total ...	100·0	100·0	100·0	100·0	

*Excluding TAZARA, T.I.B., T.R.D.B.

Thus, total rural impact expenditure by central government ministries is rather more encouraging than it appeared last year. It has apparently recovered from the low point reached in 1971/72. However it is still almost 10 per cent lower than the share envisaged in the Second Five-Year Plan (S.F.Y.P.)

This is partly because the Kilimo budget, which is almost all rural, is less than one third of the share of the total ministerial budgets envisaged in the S.F.Y.P. (10 per cent instead of 37 per cent). The Afya Budget (65 per cent rural) is also about one third of the S.F.Y.P. proportion (2·3 per cent as compared with 7·5 per cent in the S.F.Y.P.), with a slightly lower rural content than had been envisaged. In addition, the National Infrastructure category is somewhat higher than the share envisaged in the S.F.Y.P.

Some Ministries, however, make a larger contribution to rural impact expenditure than envisaged in the S.F.Y.P. These include divisions of the Prime Minister's Office which were previously in Maendeleo (89 per cent rural) which makes up 5·6 per cent of total expenditure, as compared with 1·3 per cent in the S.F.Y.P., National Education (52 per cent rural) with 11·6 per cent of total budgeted expenditure, compared with 3·0 per cent in the S.F.Y.P. Maji (81 per cent rural) makes up 12·3 per cent, against 3·2 per cent envisaged in the S.F.Y.P., whilst the corresponding figures for Comworks (62 per cent rural—the same as in the S.F.Y.P.) are 24·5 per cent of the total compared with 21·9 per cent projected in the S.F.Y.P.

Comparison with S.F.Y.P. figures is less useful than it appears at first sight, because the S.F.Y.P. so greatly underestimated ministerial development expenditure over the S.F.Y.P. period.

The S.F.Y.P. has no comparable estimates for parastatal expenditure, but the rural share, at 50 per cent, can be regarded as rather satisfactory.

Total budgeted public sector development expenditure (ministries plus parastatals) is 50·4 per cent rural impact in 1972/73, compared with 41·5 per cent in 1971/72.

(c) Ujamaa Villages

In 1972/73, an even larger part of the rural development effort will be directed towards Ujamaa Villages. There are now about 4,400 Ujamaa Villages in varying stages of development, and about 11 per cent of the total population of mainland Tanzania are living in Ujamaa Villages. The crucial development issue will be the growth of these villages. Every effort will be made to help them become viable economic units. By May, 1972 there were 160 Ujamaa Villages registered as multi-purpose co-operative societies.

The Kigoma Planning Team has completed its work. It was involved not only in recommending viable projects for existing Ujamaa Villages, but also in identifying viable areas and sites for future villages. "Operation Kigoma", on the same pattern as "Operation Dodoma", is due to start in July, 1972. This will involve settlement of about 8,000 families in 23 Ujamaa Villages. 10 dispensaries and some primary school classrooms are expected to be built for the villages. A total of 24,000 acres are expected to be ploughed.

Phase two of the "Dodoma Operation" will soon start. 56,000 more families are expected to settle into Ujamaa Villages—some into new villages, and some into existing ones. Social services such as schools and dispensaries will be provided, and a mobile medical service will be established. It is also intended to construct a total of 23 wells and it is estimated that Government will help in ploughing a total of 56,000 acres.

Mara Planning Teams will continue with their work. So far they have drawn up plans for 26 Ujamaa Villages.

A greater effort will be made to start Ujamaa Villages along the TAZARA Railway and TANZAM Road. All the four Regions through which the railway passes—Coast, Morogoro, Iringa and Mbeya—have already made plans to start Ujamaa Villages. Morogoro Region has plans for the establishment of 25 Ujamaa Villages, Iringa for 8 and Coast Region for 6. Mbeya Region has set up a committee to make a thorough survey of the line and recommend where Ujamaa Villages should be established.

TOBACCO COMPLEXES

The aim of this project is to increase production of flue-cured tobacco and raise production per acre by organizing tobacco farmers into groups. The project is estimated to cost Shs. 105·2 million. It is intended to settle 15,000 new tobacco farmers in 150 Ujamaa Villages of 100 farmers, each in 15 complexes, in Tabora, Mpanda and Chunya Districts. Tabora Region will have 8 complexes and Mbeya Region 7. The settlement period is spread over 5 years from 1970/71 to 1974/75, and it is intended to settle 3,000 farmers each year.

FORWARD PLANNING

Forward Planning for Ujamaa Village programmes will continue. In view of the decentralization of the government administrative machinery, it is intended to entrust the responsibility for planning to the Regions and Districts.

IMPLEMENTATION

More efforts will be made to create effective implementation machinery at the village level to ensure that the development plans are being successfully carried out. Courses on agricultural management for villages will continue to be conducted. Efforts will be made to improve and standardize the reporting system for Ujamaa Villages, both with respect to location, population etc., and also with regard to agricultural and social development.

REGIONAL DEVELOPMENT FUND

As in 1971/72, the total fund allocated this year will be Shs. 30 million. Of this 24 million shillings will be distributed on the basis of population—i.e. approximately 2 shillings per person. The remaining 6 million shillings will be put in a reserve fund and will be distributed to Regions by the Prime Minister's Office, according to their needs.

(d) District Development Corporation

REGISTRATION

During 1972/73 the Government expects to register about 26 District Development Corporations. 13 of these—Bagamoyo, Chunya, Hanang, Kasulu, Kilua, Manyoni, Mpwapwa, Mufindi, Mzizima, Njombe, Nzega, Rungwe and Tarime—have already com-

pleted their feasibility studies. They will be registered as soon as Managers and Accountants are available. The others—Iramba, Mpanda, Kondoa, Kibondo, Masasi, Mbulu, Ulanga, Mbozi, Kilosa, Utete, Mafia, Kisarawe and Newala—have not yet completed their feasibility studies.

MANPOWER

In view of the Government's expectations to register about 26 Corporations, the system of secondment will continue. This will involve training of Government and Local Government Officers to become Managers, Accountants and supporting staff for the Corporations.

As a long term strategy, places have been secured for the training of high level manpower, at the Institute of Development Management, Morogoro. These will mainly be used for training of Managers and Accountants.

AREAS OF OPERATIONS

Planned projects of DDC's for 1972/73 are as follows:—

Registered DDC's	Planned Projects for 1972/73
1. DAR ES SALAAM	1. Poultry Raising; 2. Dairy Farm; 3. Fish Marketing.
2. BUKOBA	1. Petrol Distribution; 2. Poultry for Eggs.
3. MWANZA	1. Fishing and Fish—Meal Plant; 2. Distribution of food to public institutions.
4. MUSOMA	1. Poultry Raising; 2. Fishing.
5. SHINYANGA	1. Ranching; 2. Dairy Product Distribution.
6. TABORA	1. Piggery.
7. SINGIDA	1. Expansion of Poultry.
8. DODOMA	1. Vineyard.
9. KIGOMA	1. Soap Factory.
10. IRINGA	1. Ranching; 2. Butcheries.
11. MBEYA	1. Food distribution to public institutions; 2. Saw Milling; 3. Hotels; 4. Cattle ranch.
12. MOROGORO	1. Petrol Stations; 2. Ranching; 3. Orchards.
13. TANGA	1. Expansion of cardamon farm; 2. Expansion of bus service into rural areas; 3. Expansion of poultry project; 4. Supermarkets.
14. HANDENI	1. Ranching in partnership with Korogwe DDC.
15. USAMBARA	1. Participation in Lawns hotel; 2. Expansion of Farm; Orchard.
16. KOROGWE	1. Petrol distribution; 2. Ranching in partnership with Handeni; 3. Expansion of mixed farm to 300 acres.
17. PARE	1. Fishing; 2. Marketing—Fish from Nyumba ya Mungu.
18. MTWARA	1. Ranching in partnership with Lindi.
20. NACHINGWEA	1. Expansion of existing projects.
21. SONGEA	1. Piggery; 2. Butchery; 3. Petrol distribution.
22. ARUSHA	1. Petrol Stations.
23. KILIMANJARO	1. Expansion of piggery; 2. Expansion of Bus Services.
24. PANGANI	1. Fishing.

It is very encouraging to see that most of these projects are rural development oriented projects and show that DDC development is moving in the right direction.

Financing the DDC Projects

A major remaining problem is financing of projects, as Corporations have difficulties in raising enough paid up capital, and still generate little cash. Local financing institutions cannot, because of their constitutions, provide 100 per cent financing and could not, in any case, provide the necessary equity element. In future, therefore, DDCs with viable prepared projects should be able to apply for equity capital from the Development Budget in the same way as national parastatals.

(e) Rural Credit

In 1972/73 development of rural credit will have the following main features:—

(1) Credit for crop development and general rural development provided by the Tanzania Rural Development Bank (TRDB) will undergo a very large increase—trebling from Shs. 54·5 million of gross lending in 1971/72 to Shs. 165 million in 1972/73.

(2) Seasonal credit and working capital to large agricultural organizations—co-operatives, parastatals and large-scale farmers—provided by the National Bank of Commerce (N.B.C.) is expected to undergo a smaller expansion of 3 per cent, from Shs. 670 million to Shs. 690 million. This will mainly benefit the marketing of primary products.

(3) The socialist sector (parastatals, D.D.C's, Co-operatives and Ujamaa Villages) will take an increased share of the credit allocated by the T.R.D.B. and N.B.C.

In 1973/74, the emphasis on providing development credit for rural areas will continue, especially for small-holder development schemes and District Development Corporations (the latter will receive Shs. 13 million compared with only Shs. 2 million in 1971/72). Projected gross lending by the T.R.D.B. is Shs. 248 million, while agricultural credit from the N.B.C. will increase by another 3 per cent to Shs. 720 million.

Tanzania Rural Development Bank

The activities of the TRDB have increased tremendously since its inception on May 1st 1971. The aim is to expand the bank's lending and create a more dynamic institution which will mobilise scare resources for the promotion of rural development in both the agricultural and non-agricultural spheres and raise the living conditions of the entire population.

Sources of Funds

The bank has a variety of financial resources at its disposal, mainly paid up capital, borrowing from other local institutions and external aid from foreign donors which is lent by Treasury, either for the normal operations of the bank, or earmarked for specific projects, with the TRDB acting as implementing agency.

The Bank will receive Shs. 35·7 million from the 1972/73 development budget. Of this, Shs. 6·3 million is from local sources. This will mainly be used for the Tea Small-holder Scheme, but some credit will also be provided for the new Livestock Project. The remaining Shs. 29·4 million is from foreign sources, and is on-lent by the Treasury for the Tea Small-holders' Scheme (Shs. 11·1 million), Tobacco loans (Shs. 5·6 million), a grain storage project (Shs. 2·4 million) and the Livestock Project (Shs. 10·3 million).

The TRDB's overdraft facility with the National Bank of Commerce will rise to Shs. 35 million, compared with Shs. 20 million in 1971/72.

It is expected that in 1973/74 the TRDB will receive about Shs. 14 million through the development budget from local sources and Shs. 39 million from foreign sources. The overdraft facility with the NBC is expected to rise to Shs. 60 million.

Uses of Funds

In terms of gross lending the TRDB is expected to make advances of over Shs. 165 million in 1972/73, which treble the 1971/72 figure of Shs. 54·5 million.

Short-term credits will amount to Shs. 46 million, the most important item being the Shs. 17 million planned for tobacco development. New Ujamaa Villages will be allocated Shs. 9 million, and the Livestock development will receive over Shs. 10 million. The remainder of the short-term credits will be used to finance fertilizers, transportation and other inputs to the rural economy.

Medium-term credits for 1972/73 will amount to Shs. 42 million. Major items in this category are rural transport (Shs. 25 million), new Ujamaa Villages (Shs. 5 million) tobacco development (Shs. 2 million) and sugar cultivation (Shs. 3 million).

Projected *long-term credits* total Shs. 77 million, including livestock (Shs. 17 million), storage (Shs. 10 million), tea (23 million shillings) and about 2·5 million shillings is expected to go to DDCs.

The bank's gross lending over the following two years is expected to show a dramatic increase. For the 1973/74 financial year it is projected that the bank will lend Shs. 248 million plus Shs. 150 million from the IDA. In 1974/1975 this rises to over Shs. 265 million, plus Shs. 161 million for the proposed IDA projects.

REGIONAL ORGANIZATION

So far the TRDB has opened 12 operational branches, each headed by a regional representative. The target is to establish a branch in each region during 1972/73. This can only be achieved as an experienced and competent staff is built up. The plan is to develop small regional branches into full branches with a capacity to deal directly with loan applications.

(f) Other Important Rural and Regional Programmes

Three programmes with a very important impact on rural development, and the quality of rural life, are health, education and water. The second Five-Year Plan stated that, for these three programmes, a deliberate effort should be made to move towards equal provision of these services in all areas. The importance of these programmes has now been further underlined by the Party Directive that they should be treated as three priority areas.

(i) Health—Rural and Regional

National health services are now being reoriented in favour of the rural areas development strategy embodied in the 1972/73 budget is to expand the Rural Health Centre (R.H.C.) and dispensary network, strengthen preventive programmes through the establishment of mobile teams to serve rural areas and expand training facilities for the paramedical cadres urgently required for rural services, while attending to only the most urgent capital requirements of the Regional and District hospital network.

Under the construction and upgrading programme for R.H.C.'s, at least 9 new centres will be constructed, one each in Bagamoyo, Biharamulo, Chunya, Iramba, Kasulu, Kondoa, Kwimba, Mbulu and Tunduru Districts. In addition, two voluntary agency health facilities will be taken over and converted to R.H.C.'s. This will raise the national total to 105 R.H.C.'s. With regard to dispensaries, the main problem now is not the number of dispensaries, but their quality and personnel. Shs. 1·3 million will be spent on renovations and improvements to existing dispensaries, bringing total expenditure on R.H.C.'s and dispensaries to Shs. 4·9 million.

Almost all expenditure on medical training will be for paramedical personnel required for rural service. The major item is the establishment of a new Rural Medical Aid School.

Preventive services will receive additional emphasis, the main items being the extension of nutrition services and environmental sanitation programmes, along with the establishment of six mobile rural health teams. Total capital expenditure on preventive services will be about Shs. 1·4 million.

Hospital services will receive about Shs. 3·8 million, or about 30 per cent of the health development budget. The following urgently required hospital construction and extension projects have been included:

Hospital	No. of additional beds
Musoma Regional Hospital	52
Mpwapwa District Hospital	13
Kilosa District Hospital	39
Iringa Regional Hospital	39
Mufindi District Hospital	80
Mbeya Regional Hospital	13
Songea Regional Hospital	13
Nachingwea District Hospital... ...	13
Kilwa District Hospital	13
Total ...	275

1973/74 PROGRAMME

It is envisaged that the 1973/74 programme will involve continuing the R.H.C. expansion Programme (16 new R.H.C.'s in 1973/74), increasing paramedical training to staff rural health services, upgrading rural dispensaries and, as in 1972/73, meeting only the most urgent capital requirements of the Regional and District Hospital network. A comprehensive development plan for health services is being developed.

DECENTRALIZATION

Under decentralization, Regions will be responsible for almost all health activities apart from *national* (e.i. consultant) hospitals, research and training and support facilities for those services of central responsibility. A few other projects which are national in scope, such as National Health Education and Medical Stores, Dar es Salaam will also remain under central control. Virtually all development expenditure in 1972/73 will be on projects of Regional responsibility.

(ii) Education—Rural and Regional Policy

PRIMARY EDUCATION

The policies for allocating new primary education facilities are:—

(a) Expand Standard I enrolments so as to achieve Universal Primary Education (U.P.E.) by 1989, or earlier if possible.

(b) Expand Standard I enrolments fastest in those Regions and Districts which at present have the lowest proportion of their school-age population enrolled in primary schools. (Enrolments must, however, always increase at least as fast as school-age population, even in those Districts which now have the highest enrolment rates).

(c) Remove the Standard IV barrier by the end of the Second Five-Year Plan Period.

(d) Give priority to Ujamaa Villages in opening new public primary schools.

All schools are intended to act as local points for rural development both through their curricula, which include training for self-reliance, and through their impact on the surrounding community. The trained manpower and equipment of the schools should benefit the whole community. For example, secondary schools with an agricultural bias an help solve the agricultural problems of the surrounding areas; school—teachers make up a very large proportion of the teachers for adult education; more and more primary schools are used as centres for adult education, health training, etc.

Following the Party directive to give priority to primary education, budgeted expenditure on primary education will expand from Shs. 9 million last year to Shs. 15 million this year, despite financial stringency. However, this underestimates the true value of the assets that will be created, because of the great use made of self-help in constructing teaching accommotion and teachers' houses.

ADULT EDUCATION

To further our aims of socialist transformation and rural development, more efforts will be employed in 1972/73 to involve as many people as possible in adult education, so as to eliminate illiteracy. These efforts will focus particularly on Ujamaa Villages.

The functional literacy campaign being conducted in the four Lake Regions—Mwanza, Mara, Shinyanga and West Lake—should be completed in the remaining Districts of these Regions by the end of 1972.

The teaching in this campaign will emphasize better farming techniques, with the aim of increasing productivity in production of: cotton, bananas, rice, coconuts, maize, cashewnuts, tobacco and wheat. It will also emphasize modern animal husbandry and fishing.

Every Region in Tanzania has prepared a comprehensive adult education programme to eliminate illiteracy for at least a quarter of its population per year up to 1975.

(iii) Rural Water Supplies

Following the Party Directive to give priority to this sector, the policy aim is that all people in rual areas should be provided with easy access to adequate and safe water supplies within twenty years. This involves a major increase in emphasis on rural water supplies. It is estimated that only about 1·4 million people in rural areas are served by existing water supplies. Bearing in mind the expected population increase, this means that about 20 million additional rural consumers will have to be served by 1990.

In order to achieve this target, Water Master Plans will be drawn up for all Regions. Currently, teams are drawing up Water Master Plans for Dodoma and Shinyanga, and in the 1972/73 financial year, planning teams will start work in several other Regions, starting with Mtwara and Lindi.

The basic creation for allocating expenditure between Regions is to make expenditure proportional to estimated consumption needs that are not yet covered by existing supplies. This means paying more attention to those Regions that have tended to get neglected in the past. In order to give all Regions adequate capacity for implementing rural water projects, each Region is to be given its own works depot. This programme is almost complete; work on the new Lindi Regional depot will start this year.

The increased size of the water programme requires an increase in construction capacity, and steps are being taken to achieve this. Serious action will be taken to decrease per capita costs of new supplies from the present level of about Shs. 100 to Shs. 70 by 1975/76, to minimise the cost of implementing the 20 years programme. This will be done by:—

(a) Increasing self-help contributions to rural water supplies. In the past, very little use has been made of self-help labour, but on some schemes this can reduce total costs by 30—50 per cent. It is also very important that people should feel that they are involved in, and responsible for, improvements in their living standards.

(b) Concentrating on small, low-cost projects.

The decentralization of Government will mean that, from now on, implementation of the rural water supplies programmes will be a Regional responsibility. From 1973/74, most planning for rural water supplies will also be a Regional responsibility.

Total budgeted development expenditure on rural water supplies (including training, Maji facilities, and surveys and investigations) will be Shs. 57 million. In addition, Shs. 5·7 million are budgeted for Water Master Plans in 1972/73. In 1973/74, this is expected to increase still further to about Shs. 71 million, plus increased provision for Water Master Plans. 93 per cent of 1972/73 expenditure will be on projects of Regional responsibility.

PART V

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PROGRAMME FOR 1972/74

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Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	STATE HOUSE						
	SUB-VOTE 800						
	Radio Workshop	60	—	60	—	—	—
4902	**Total ...**	**60**	—	**60**	—	—	—
	CENTRAL ESTABS						
	SUB-VOTE 804						
	Secretarial College, Tabora	120	490	610	—	—	—
4302	SUB VOTE 808						
	Inst. Development Management...	1,059	10,721	11,780	1,255	9,695	10,950
	Rural Training Centre	150	—	150	—	—	—
4301 4305	**Total ...**	**1,329**	**11,211**	**12,540**	**1,255**	**9,695**	**10,950**
	PRIME MINISTER AND SECOND VICE-PRESIDENT'S OFFICE						
	SUB-VOTE 810						
2208	Project Planning	3100	—	3100	—	—	—
5302	Government Housing	400	—	400	—	—	—
	SUB-VOTE 811						
4902	Regional Development Fund	24,200	5,800	30,000	23,500	6,500	30,000

Item No.	Description	1972/73 Local	1972/73 External	1972/73 Total	1973/74 Local	1973/74 External	1973/74 Total
	SUB-VOTE 812						
4968	Divisional Offices	—	—	—	2,600	—	2,600
4907	District Offices	870	—	870	—	—	—
	SUB-VOTE 814						
4908	Development of Shallo Wells	—	—	—	100	—	100
4901	Nation Building Seif-Help	1,000	—	1,000	1,200	—	1,200
	SUB-VOTE 815						
4302	Rungemba Leadership Training Centre	80	—	80	—	—	—
4303	Kivukoni College	2,000	—	2,000	—	—	—
	SUB-VOTE 816						
4306	Murutunguru Staff Training Centre	80	—	80	220	—	220
	Total ...	**31,730**	**5,800**	**37,530**	**27,620**	**6,500**	**34,120**
	FOREIGN AFFAIRS						
	SUB-VOTE 824						
4910	London Mission	1,000	—	1,000	—	—	—
	Total ...	**1,000**	—	**1,000**	—	—	—
	DEFENCE						
	SUB-VOTE 834						
6101	Contingencies including Defence	106,300	—	106,300	—	—	—
	Total ...	**106,300**	—	**106,300**	—	—	—

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	NATIONAL SERVICE						
	SUB-VOTE 836						
5203	Training Centre Ruvu	680	—	680	—	—	—
5211	Production Workshop	1,000	4,000	5,000	—	—	—
5207	Regional Centres...	1,000	—	1,000	2,200	—	2,200
5209	Builders Brigade No. One	400	—	400	400	—	400
5213	Builders Brigade No. Two	3,300	—	3,300	—	—	—
	Total ...	**6,380**	**4,000**	**10,380**	**2,600**	—	**2,600**
	MINISTRY OF AGRICULTURE AND CO-OPERATIVES						
	SUB-VOTE 855						
1704	Marketing Development Bureau	315	1,688	2,003	380	1,480	1,860
	SUB-VOTE 856						
4406	Arusha Kilimanjaro Range Development	500	3,700	4,200	500	3,900	4,400
4524	Dairy Development	500	—	500	500	—	500
4407	Tobacco Projects	200	1,175	3,175	3,968	1,984	5,952
4504	L.M.U. Sukumaland	500	—	500	250	—	250
4515	Cattle Dips Agricultural	300	—	300	600	—	600
4403	Input Demonstration	100	530	630	300	650	950
4404	Horticulture	—	—	—	100	—	100
4531	Abbatoirs	682	—	682	500	—	500
4514	Livestock Development Phase Two	420	2,900	3,320	2,000	11,200	13,200
4503	L.M.U. Mbeya	75	—	75	150	—	150
4502	L.M.U. Iringa	100	—	100	200	—	200
4529	Stock Routes and Holding Grounds	750	—	750	—	—	—
4532	Semen Production and Distribution	380	—	380	100	—	100

SUB-VOTE 859

1301	Dodoma Vine State Farm	156	—	156	156	—	156
1311	Coconut State Farm, Zegerani	231	—	231	400	—	400
1402	Oil Palm State Farm, Kigoma	240	—	240	340	—	340
1502	Dairy Cattle Breeding, Kitulo	120	—	120	100	—	100
1504	State Dairy Farm, Oljoro	50	—	50	50	—	50
1505	State Dairy Farm, Mara	100	—	100	100	—	100
1508	State Dairy Farm, Kawalinda	60	—	60	100	—	100
1520	National Chick Hutchery, Ukonga	600	—	600	—	—	—
4426	Farm Planning	200	—	200	200	—	200
4423	Mechanical Advisory Service	100	—	100	—	—	—
4706	Smallholder Irrigation	100	—	100	100	—	100
4424	Bird Control	478	—	478	500	—	500
4425	Seed Multiplication (U.S.A.D.)	600	1,464	1,964	500	1,500	2,000
4450	Existing Tobacco Schemes	184	—	184	184	—	184

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
N.A.F.C.O./T.I.B.:										
Ngerengere Complex*	1972/73	1,800	—	—	—	—	—	—	1,800	1,800
	1973/74	—	—	—	—	—	—	—	—	—

*This project is expected to receive equity financing through T.I.B.

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
4599	Veterinary Clinic Dar es Salaam	50	—	50	—	—	—
4516	Dairy Cattle Importation...	—	—	—	600	—	600
4509	Vermin Control	100	—	100	100	—	100
4405	Produce Inspection	87	—	87	100	—	100
4544	Veterinary Vehicles	120	—	120	125	—	125
4525	Tsetse Control, West Lake	850	3,500	4,350	—	—	—
4320	SUB-VOTE 857						
	Co-operative College, Moshi	100	1,240	1,340	—	—	—
	SUB-VOTE—859 SEE ATTACHED SLIP						
	SUB-VOTE 861						
2108	Veterinary Chem. Ext. Temeke	200	225	425	200	225	425
2115	Tsetse Control Research Institute	300	1,600	1,900	350	1,820	2,170
4542	T.A.M.T.U.	100	—	100	100	—	100
4330	Agricultural Education	3,140	6,480	9,620	4,205	11,180	15,385
2102	Nordic Tanzania Agriculture Project,Mbeya	3,100	10,946	14,046	5,935	13,740	19,675
2125	Agronomic Research (Wheat)	600	4,300	4,900	350	2,916	3,266
2128	Agronomic Research (U.S.A.I.D.)	300	2,590	2,890	460	2,160	2,620
2119	Grain Storage Study	200	821	1,021	300	830	1,130
2311	Tobacco Research...	1,000	555	1,555	1,000	857	1,857
4310	In-Service Training	300	—	300	150	—	150
4336	Pre-Investment Studies	100	—	100	200	—	200
4321	Horticulture Research Training	80	—	80	—	—	—
4902	Extension Aids Works	10	—	10	—	—	—
	Total ...	**20,578**	**43,614**	**64,192**	**26,453**	**54,442**	**80,895**

Item No.	Description	1972/73 Local	1972/73 External	1972/73 Total	1973/74 Local	1973/74 External	1973/74 Total
	ECONOMIC AFFAIRS AND DEVELOPMENT PLANNING						
	SUB-VOTE 865						
2207	Preparation Third Plan	1,000	1,100	2,100	3,000	1,200	4,200
2205	Project Preparation	2,000	—	2,000	1,000	—	1,000
	SUB-VOTE 866						
2202	Agricultural Census	1,741	—	1,741	600	—	600
2205	Survey of Distributive Trade	—	—	—	165	—	165
2206	Demographic Survey	153	—	153	185	—	185
2203	Industrial Statistics	300	—	300	—	—	—
	Total ...	**5,194**	**1,100**	**6,294**	**4,950**	**1,200**	**6,150**
	NATIONAL EDUCATION						
	SUB-VOTE 870						
4902	Urgent Minor Works	250	—	250	500	—	500
	SUB-VOTE 871						
5101	Teaching Accommodation—Primary	12,000	—	12,000	12,000	—	12,000
5102	Teachers Houses—Primary	3,000	—	3,000	3,000	—	3,000
	SUB-VOTE 872						
4301	Minaki Secondary School	7	13	20	—	—	—
4302	Pugu Secondary School	587	1,090	1,677	—	—	—
4303	Msalato Secondary School	560	1,040	1,600	173	322	495
4304	Kigoma Secondary School	236	439	675	68	127	195

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
4305	Weruweru Secondary School	125	231	356	—	—	—
4306	Mpwapwa Secondary School	516	959	1,475	30	55	85
4307	Umbwe Secondary School	411	764	1,175	72	133	205
4308	Musoma Secondary School	344	639	983	—	—	—
4309	Kilakala Secondary School	48	90	138	—	—	—
4310	Chidya Secondary School	9	17	26	—	—	—
4311	Nguvumali Secondary School	3	5	8	—	—	—
4312	Rungwe Secondary School	43	79	122	—	—	—
4313	Ihungo Secondary School	184	341	525	—	—	—
4314	Rugambwa Secondary School	63	117	180	—	—	—
4315	Mazengo Secondary School	317	588	905	224	416	640
4318	Karatu Secondary School	1,100	—	1,100	720	—	720
4323	Iyunga Secondary School	30	56	86	—	—	—
4324	Tabora Girls Secondary School	32	59	91	—	—	—
4325	Lyamungu Secondary School	15	27	42	—	—	—
4326	Tanga Secondary School	25	45	70	—	—	—
4327	Tarime Secondary School	1,619	3,006	4,625	126	234	360
4328	Mkwawa Secondary School	115	215	330	—	—	—
4329	Moshi Secondary School	5	10	15	—	—	—
4330	Arusha Secondary School	91	168	259	—	—	—
4316	I.D.A. Contingency	350	4,650	5,000	—	1,000	1,000
4331	Iringa Girls Secondary School	104	194	298	—	—	—
4332	Mtwara Secondary School	954	2,863	3,817	97	293	390
4333	Sengerema Secondary School	98	292	390	—	—	—
4334	Bagamoyo Secondary School	831	2,494	3,325	89	269	358
4335	Songea Girls Secondary School	1,075	3,225	4,300	634	1,901	2,535
4336	Tabora Boys Secondary School	500	—	500	—	—	—
	SUB-VOTE 873						
4337	Korogwe College of National Education	892	1,658	2,550	1,150	2,135	3,285
4343	Dar es Salaam College of National Education	578	23	601	—	—	—
4344	Iringa College of National Education	—	430	430	—	—	—
4345	Nachingwea College of National Education	1,125	—	1,125	1,125	—	1,125

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
4346	Singida College of National Education	1,462	—	1,462	162	—	162
4341	Monduli College of National Education	170	—	170	20	—	20
4340	Adaptations College of National Education	200	—	200	500	—	500
4305	Butimba Teachers College	460	—	460	—	—	—
	SUB-VOTE 874						
4367	Bralup Building	—	100	100	—	—	—
4368	Dag Hammarskjold House	—	55	55	—	—	—
4369	University Residence Hall No. 7	—	—	—	1,000	—	1,000
4362	Faculty of Engineering	—	6,500	6,500	212	6,500	6,712
4364	College of Business Education	—	2,100	2,100	—	1,100	1,100
4350	Faculty of Agriculture	—	2,775	2,775	400	4,115	4,515
4358	Science Extension No. 2—Chemistry	—	60	60	—	—	—
	SUB-VOTE 875						
5507	Hostel-Acrobats and Dancers	25	—	25	—	—	—
	SUB-VOTE 980						
4332	Moshi Technical School	9	18	27	—	—	—
4365	Technical College, Dar es Salaam	1,172	2,463	3,635	210	1,085	1,295
4366	Arusha Technical College	200	1,275	1,475	1,925	5,775	7,700
4363	Ifunda Technical School	160	500	660	300	700	1,000
	Total ...	**32,100**	**41,673**	**73,773**	**24,737**	**26,160**	**50,897**
	MINISTRY OF COMMERCE AND INDUSTRIES						
	SUB-VOTE 882						
2206	Indcentre	850	1,400	2,250	859	2,185	3,044

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	SUB-VOTE 883						
2208	Prospecting Tazara	363	137	500	223	137	360
2209	Pugu Hills Kaolin	962	772	1,734	240	146	386
2203	Geol. Mapping and Mineral Reconn.	1,200	5,800	7,000	600	3,800	4,400
2207	Kiguwe Copper Geolog. Survey	743	—	743	—	—	—
2210	Beach Sands	356	444	800	—	—	—
	Total ...	**4,474**	**8,553**	**13,027**	**1,922**	**6,268**	**8,190**
	MINISTRY OF COMMUNICATIONS AND TRANSPORT						
	SUB-VOTE 887						
4115	Geita Peninsula Roads	2,000	7,600	9,600	5,000	3,500	8,500
4141	Bukoba-Lupembe Tea and feeder Roads	3,000	9,500	12,500	4,900	2,150	7,050
4143	Third Highways fees Study	500	2,000	2,500	436	1,528	1,964
4142	Rungwe-Lushoto Tea and Feeder Roads	200	13,900	14,100	200	5,700	5,900
4107	Dar Tunduma Road	22,950	43,250	66,200	22,120	33,180	55,300
4301	Comworks Training	200	200	400	200	200	400
4130	Dar Airport Improvements	3,900	—	3,900	6,000	—	6,000
4131	Kilimanjaro Airport	—	2,500	2,500	—	—	—
4916	Tanga Jetty	1,306	2,372	3,678	—	—	—
4140	Tanga Moa Bridge	400	—	400	—	—	—
4112	Oldeani Makuyuni Road	500	1,400	1,900	4,000	11,000	15,000

Item No.	Description	1972/73 Local	1972/73 External	1972/73 Total	1973/74 Local	1973/74 External	1973/74 Total
4117	Mtwara Mingoyo Masasi Road	4,000	10,600	14,600	5,900	14,100	20,000
2301	Comworks Surveys and Investigations	500	—	500	500	—	500
4133	Airport fire Services	72	—	72	—	—	—
4103	Western Trunk Route Bridges	120	—	120	—	—	—
4112	Pugu Road	—	8,000	8,000	4,500	10,500	15,000
4113	Arusha Mwanza Road	200	—	200	—	—	—
4001	Ferries	50	—	50	—	—	—
4124	Muleba Wagon Ferry and Road	5,250	—	5,250	—	—	—
4371	Comworks Training School	1,000	—	1,000	—	—	—
4132	Other Aerodromes*	4,500	—	4,500	—	—	—
4142	Kanoni Mgeta Kirumi Bridges	—	—	—	2,200	—	2,200
4101	Rwanda Link Road	—	—	—	3,000	—	3,000
4110	Nyakanga Banda Road	—	—	—	1,000	—	1,000
4126	Tunduma Sumbawanga Road	—	—	—	2,000	—	2,000
4150	Electrical and Mechnical	1,502	—	1,502	2,000	—	2,000
	SUB-VOTE 890						
5303	U.N. Staff Housing	1,430	540	1,970	—	—	—
5303	U.S.A.I.D. Housing	—	362	362	—	—	—
4906	P.W.D. Depots	425	—	425	—	—	—
4904	Government Offices, Dar es Salaam	170	—	170	—	—	—
4905	Connect to Main Suvage, Moshi	70	—	70	—	—	—
	Total ...	**54,245**	**102,224**	**156,469**	**63,956**	**81,858**	**145,814**
	LANDS, HOUSING AND URBAN DEVELOPMENT						
	SUB-VOTE 897						
2302	Topographical Surveys	1,272	4,440	5,712	500	2,000	2,500
2303	Expansion Regional Survey Services	25	—	25	—	—	—

*An amount of Shs. 4·5 million has also been put in group B for this item for 1972/73.

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	SUB-VOTE 898						
4901	Site Clearance and Servicing	575	—	575	650	—	650
	SUB-VOTE 899						
4906	Econ. Infrastructure, Dar es Salaam	1,200	3,400	4,600	2,000	—	2,000
4909	Master Plans 8 Towns	200	—	200	200	—	200
4910	Town Manpower Training Programme...	195	302	497	200	520	720
	SUB-VOTE 903						
2202	National Housing Research Unit	140	910	1,050	60	1,630	1,690
	Total ...	**3,607**	**9,052**	**12,659**	**3,610**	**8,350**	**11,960**
	HOME AFFAIRS						
	SUB-VOTE 916						
6203	F.F.U. Kigoma	100	—	100	—	—	—
6211	F.F.U. Arusha	300	—	300	300	—	300
6208	Murongo Police Station	600	—	600	—	—	—
6209	Kabanga Police Station	600	—	600	—	—	—
6241	Helicopter Base	1,000	—	1,000	1,000	—	1,000
6207	Mabamba Police Station	380	—	380	—	—	—
6201	Loliondo Police Station	58	—	58	—	—	—
6212	Nachingwea Police Station	600	—	600	900	—	900
6217	Mikese Police Station	98	—	98	—	—	—
6218	Alphones Pass Police Station	300	—	300	900	—	900
6204	Manyovu Police Station	78	—	78	—	—	—
6230	Motor Vehicles Police	1,500	—	1,500	1,500	—	1,500
6233	Radios Police	840	—	840	400	—	400
6234	Stores Police	500	—	500	500	—	500
6266	Rank and File Quarters Police Iringa	200	—	200	1,000	—	1,000
6267	Rank and File Quarters Police Bukoba...	200	—	200	1,500	—	1,500

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
6275	Police Station and Lines—Karema	300	—	300	650	—	650
6240	Singwezi Police Stations Lines	150	—	150	300	—	300
6246	Kyela Police Station	300	—	300	650	—	650
6248	Rank and File Quarters—Dar es Salaam	1,000	—	1,000	1,500	—	1,500
6427	Staff Quarters Sirari	66	—	66	40	—	40
6213	Kyaka Police Station	290	—	290	—	—	—
6268	Rank and File Quarters Police Station Shinyanga	200	—	200	1,500	—	1,500
6205	Nyaronga Police Station	276	—	276	—	—	—
6222	Inyala Police Station, Mbeya	528	—	528	—	—	—
	SUB-VOTE 917						
6371	Newala Prison	150	—	150	200	—	200
6392	Kiabakari Prison	150	—	150	200	—	200
6408	Immigration Purchase of Vehicles	97	—	110	110	—	110
6428	Immigration Post Rusumo Falls	138	—	138	40	—	40
6405	Immigration Staff Quarters Namanga	40	—	40	80	—	80
6429	Immigration—Holokolo	80	—	80	80	—	80
6414	Regional Immigration Office—Mbeya	170	—	170	—	—	—
6415	Immigration Staff Quarters Tunduma	80	—	80	200	—	200
6430	Immigration Kasesy Staff Quarters	10	—	10	—	—	—
6409	Regional Immigration Office—Kigoma...	76	—	76	94	—	94
6423	Immigration Staff Quarters Mutukula	80	—	80	40	—	40
6422	Immigration Office Mutukula	58	—	58	—	—	—
6425	Immigration Office Sirari...	58	—	58	—	—	—
6426	Motor Launch Tanga	—	—	—	96	—	96
6424	Regional Immigration Office Dodoma	—	—	—	70	—	70
6407	Regional Immigration Office—Mwanza	—	—	—	70	—	70
6431	Immigration Itungi Office and Staff Quarters	58	—	58	—	—	—
	SUB-VOTE 919						
6373	Prison Electrification	150	—	150	133	—	133
6379	Prison Special Equipment	90	—	90	—	—	—
6374	Prison Water and Sanitation	260	—	260	100	—	100
6372	Prison Buildings	540	—	540	—	—	—

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	SUB-VOTE 920						
1304	Songwe Prison Farm	180	—	180	250	—	250
6386	Lumber Industry ...	500	—	500	—	—	—
6393	Boot Industry ...	200	—	200	—	—	—
6391	Hanang Remand ...	150	—	150	200	—	200
1305	Mbigiri Rice Scheme ...	100	—	100	—	—	—
6337	Mufindi Remand Prison ...	200	—	200	150	—	150
6380	Prison General Improvements ...	75	—	75	—	—	—
1401	Urambo Tobacco Farm ...	200	—	200	200	—	200
1303	Sumbawanga Prison Farm ...	180	—	180	250	—	250
	Total ...	**14,534**	**—**	**14,534**	**15,203**	**—**	**15,203**
	MINISTRY OF HEALTH						
	SUB-VOTE 925						
5473	Replacement of X-Ray Plants ...	90	—	90	—	—	—
5499	Muhimbili Hospital ...	300	—	300	—	—	—
	SUB-VOTE 933						
5481	Installation of Electricity	200	—	200	—	—	—
5482	Songea Hospital ...	50	—	50	—	—	—
5304	Afya Institutional Housing—Regional ...	400	—	400	—	—	—
5420	Musoma Regional Hospital ...	400	—	400	—	—	—
5422	Kyela Hospital ...	40	—	40	350	—	350
5424	Kilosa Hospital ...	220	—	220	—	—	—
5472	Major Improvements to Regional Hospital ...	185	—	185	3,000	—	3,000
5474	Kitchen Equip and Laundry Units ...	35	—	35	—	—	—
5450	Geita District Hospital ...	20	—	20	—	—	—

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
5429	Shinyanga Regional Hospital	400	—	400	350	—	350
5454	Lushoto District Hospital	50	—	50	—	—	—
5417	Mufindi District Hospital	750	—	750	600	—	600
5416	Iringa Hospital	110	—	110	—	—	—
5426	Kilwa Hospital	42	—	42	—	—	—
5436	Mpwapwa Hospital	20	—	20	—	—	—
5413	Mtwara Hospital	20	—	20	—	—	—
5434	Dodoma Regional Hospital	50	—	50	—	—	—
5447	Nachingwea Hospital	90	—	90	—	—	—
5452	Kahama Improvement Shinyanga	65	—	65	—	—	—
5484	Mirembe Hospital...	115	—	115	—	—	—
5483	Tunduru Hospital	20	—	20	—	—	—
5461	Mbeya Regional Hospital	45	—	45	—	—	—
5428	Singida Hospital	50	—	50	—	—	—
5471	Bukoba Hospital	35	—	55	—	—	—
5489	Medical Stores	153	—	153	—	—	—
5499	Nzega District Hospital	5	—	5	—	—	—
5497	Tabora Regional Hospital	10	—	10	—	—	—
	SUB-VOTE 934						
5403	Environmental Sanitation	100	—	100	—	—	—
5402	Nutritional Services—Regional	600	—	600	—	—	—
5406	National Mobile Health Education	170	—	170	—	—	—
5405	Mobile Health Education-Regional	600	—	600	—	—	—
5490	Preventive Services	—	—	—	3,000	—	3,000
	SUB-VOTE 935						
5401	Rural Health Centres	3,280	413	3,693	6,000	—	6,000
5498	Improvements to Existing R.H.C.	370	—	370	—	—	—

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	SUB-VOTE 936						
5410	B Nurse School, Tanga	112	—	112	—	—	—
5411	Psych Nurse School, Dodoma	20	—	20	—	—	—
5498	R.M.A. Training	1,918	—	1,918	—	—	—
5409	B Nurse School Mkomaindo	100	—	100	—	—	—
5413	B Nurse School, Newala	5	—	5	—	—	—
5414	B Nurse School, Kiomboi	100	—	100	—	—	—
5412	Medical Assistant Training Centres	135	415	550	—	—	—
5486	Rural Medical School Mbeya	—	—	—	1,250	—	1,250
5491	Training Services	—	—	—	1,950	—	1,950
	SUB-VOTE 937						
5478	Research—Traditional Medicine	70	—	70	—	—	—
5492	Path. Laboratory, Mbeya	45	—	45	—	—	—
5494	Path. Laboratory General	45	—	45	—	—	—
5493	Pharmaceutical Plant	1,500	—	1,500	—	—	—
	SUB-VOTE 938						
5501	Mental Rehabilitation Village, Mbeya	30	—	30	—	—	—
5502	Mental Rehabilitation Village, Mwanza	30	—	30	—	—	—
	SUB-VOTE 939						
5499	Dispensaries	1,300	—	1,300	2,000	—	2,000
	Total ...	**14,500**	**828**	**15,328**	**20,000**	—	**20,000**

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	INFORMATION AND BROADCASTING						
	SUB-VOTE 943						
4201	Satellite Stations	—	1,920	1,920	—	—	—
4202	Replacement of Transmitters	700	1,705	2,405	200	—	200
4205	Film Processing Plant	308	3,800	4,108	308	1,000	1,308
	Total ...	**1,008**	**7,425**	**8,433**	**508**	**1,000**	**1,508**
	MALIASILI						
—	**SUB-VOTE 856**						
1515	Fish Protein Concentrate, Mwanza	376	2,000	2,376	400	2,000	2,400
	SUB-VOTE 857						
2121	Lake Victoria Fish Research	80	—	80	80	—	80
	SUB-VOTE 861						
2120	Forestry Research...	100	—	100	200	—	200
2122	Lake Tanganyika Fish Research	500	1,815	2,315	375	1,815	2,190
4317	Fish Research and Training Institute, Kunduchi	250	635	885	—	635	635
	SUB-VOTE 961						
1601	Tourist Road and other Infrastructure	50	—	50	—	—	—
	SUB-VOTE 962						
1601	Wildlife Utilization	500	—	500	375	1,047	1,422
1602	Tourist Development of Game areas	1,000	—	1,000	1,500	—	1,500
2125	Miombo Research Centre—Selous	—	318	318	—	208	208
4330	College of Wildlife Mweka	—	949	949	—	949	949

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	SUB-VOTE 963						
1516	Boat Building	450	—	450	—	—	—
1519	VillageFishing Units Coast	440	—	440	—	—	—
4543	Coastal Fish Development, Mbegani	—	—	—	165	—	165
4544	Development of Fisheries Services	50	—	50	100	—	100
1518	Village Fishing Units, Lake Areas	936	—	936	—	—	—
	SUB-VOTE 964						
4601	Hardwood Planting	697	—	697	1,000	—	1,000
4602	Soft wood Planting	2,700	—	2,700	3,670	—	3,670
4603	Catchment Forests	200	—	200	200	—	200
4604	Forest Industry Development Projects	—	1,512	1,512	—	1,511	1,511
4605	Development of Indigenous Forests	200	—	200	200	—	200
4607	Forest Management	100	—	100	100	—	100
4608	Bee Keeping	200	—	200	200	—	200
4609	Regional Tree Nurseries	280	—	280	300	—	300
4610	Forest Inventory	1,185	2,300	3,485	1,185	2,300	3,485
4611	Low land Afforestation	100	232	332	80	83	163
	SUB-VOTE 966						
1603	Ngorongoro Development of Game areas	430	—	430	—	—	—
	Total	**10,824**	**9,761**	**20,585**	**10,150**	**10,548**	**20,698**

Item No.	Description	1972/73			1974/74		
		Local	External	Total	Local	External	Total
	MINISTRY OF WATER AND POWER						
	SUB-VOTE 971						
2301	Hydromet. Survey, Lake Victoria	700	1,800	2,500	800	200	1,000
2302	Survey and Investment National	1,800	—	1,800	2,300	—	2,300
2303	Kagera R. Feasibility Study	400	1,600	2,000	500	2,500	3,000
2304	Stieglers Gorge Feasibility Study	—	1,600	1,600	—	1,900	1,900
2305	Rural Water Supply Survey and Investment	1,650	4,950	6,600	900	2,700	3,600
2307	Survey and Investment Regional	700	5,000	5,700	1,000	10,000	11,000
3201	Lower Ruvu Scheme	50	300	350	300	15,000	15,300
3205	Tanga Water Supply	300	700	1,000	300	2,000	2,300
	SUB-VOTE 972						
3205	Urban Water Arusha	900	—	900	300	—	300
3206	Urban Water Mwanza	500	—	500	1,000	—	1,000
3207	Urban Water Regional	2,700	—	2,700	3,300	—	3,300
4703	Statelite Ujamaa Village Irrigation	150	—	150	200	—	200
	SUB-VOTE 973						
3201	Expansion Maji Facilities	500	1,500	2,000	470	1,430	1,900
3202	Rural Water Supply Development	7,750	20,850	28,600	9,930	29,770	39,700
3203	Maji Equipment—Inter-Regional	750	2,250	3,000	830	2,470	3,300
3204	Rural Water Supply Development Carry Over	3,900	6,500	10,400	2,500	7,500	10,000
3211	Urban Water—Dar es Salaam	4,000	4,000	8,000	8,000	8,000	16,000
4301	Training Rural Water Supply	250	750	1,000	370	1,130	1,500
	Total ...	**27,000**	**51,000**	**78,800**	**33,000**	**84,600**	**117,600**

Item No.	Description	1972/73			1973/74		
		Local	External	Total	Local	External	Total
	LABOUR AND SOCIAL WELFARE						
	Sub-Vote 885						
4308	N.I.P. Project Contribution	—	1,995	1,995	—	1,995	1,995
4309	Kidatu Training	80	2,000	2,080	80	2,000	2,080
	Sub-Vote 891						
4302	National Industry Apprenticeship	700	2,295	2,995	—	2,295	2,295
	Sub-Vote 938						
5502	Yombo Rehabilitation Centre—Dar es Salaam	690	—	690	—	—	—
5505	Approved School, Irambo	750	—	750	—	—	—
	Total ...	2,220	6,290	8,510	80	6,290	6,370

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
N.A.P.B.:										
Silos Project	1972/73	17,600	2,800	14,800	17,600	—	—	—	—	17,600
	1973/74	3,100	500	2,600	3,100	—	—	—	—	3,100
Grain Handling	1972/73	3,000	600	—	600	—	2,400	—	—	3,000
	1973/74	1,400	280	—	280	—	1,120	—	—	1,400
Grain Handling Houses	1972/73	304	—	—	—	—	—	304	—	304
	1973/74	—	—	—	—	—	—	—	—	—
Vehicles	1972/73	119	—	—	—	—	—	119	—	119
	1973/74	—	—	—	—	—	—	—	—	—
Machinery	1972/73	1,204	—	—	—	—	—	1,204	—	1,204
	1973/74	—	—	—	—	—	—	—	—	—
Buildings	1972/73	633	—	—	—	—	—	633	—	633
	1973/74	—	—	—	—	—	—	—	—	—
Godowns	1972/73	3,927	—	—	—	—	—	3,927	—	3,927
	1973/74	1,800	—	—	—	—	—	1,800	—	1,800
Sub-Total N.A.P.B.	1972/73	27,337	3,540	15,010	18,550	—	2,400	6,387	—	27,337
	1973/74	6,300	780	2,600	3,380	—	1,120	1,800	—	6,300
L.S.M.B.:										
Cotton Research	1972/73	—	—	—	—	—	—	—	—	—
	1973/74	1,000	—	—	—	—	—	1,000	—	1,000
Cotton Tracks	1972/73	500	—	—	—	—	—	500	—	500
	1973/74	500	—	—	—	—	—	500	—	500
Cotton Roads	1972/73	1,200	—	—	—	—	—	1,200	—	1,200
	1973/74	1,200	—	—	—	—	—	1,200	—	1,200
Vermin Control	1972/73	185	—	—	—	—	—	185	—	185
	1973/74	—	—	—	—	—	—	185	—	185
Seed and Bale Stores	1972/73	500	—	—	—	—	—	500	—	500
	1973/74	500	—	—	—	—	—	500	—	500
Sub-Total L.S.M.B.	1972/73	2,385	—	—	—	—	—	2,385	—	2,385
	1973/74	3,385	—	—	—	—	—	3,385	—	3,385

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
N.M.C.:										
Bakery Unit	1972/73	11,200	—	7,000	7,000	—	—	4,200	—	11,200
	1973/74	—	—	—	—	—	—	—	—	—
Maize Mill—Dodoma	1972/73	4,500	—	3,000	3,000	—	—	1,500	—	4,500
	1973/74	—	—	—	—	—	—	—	—	—
Canning Factory—Tanga	1972/73	1,500	—	—	—	—	—	1,500	—	1,500
	1973/74	—	—	—	—	—	—	—	—	—
Maize Mill—Arusha	1972/73	800	—	—	—	—	—	800	—	800
	1973/74	—	—	—	—	—	—	—	—	—
Iringa Maize Mill	1972/73	500	—	—	—	—	—	500	—	500
	1973/74	—	—	—	—	—	—	—	—	—
Wheat Mill—Dar es Salaam ...	1972/73	1,750	—	—	—	—	—	1,750	—	1,750
	1973/74	—	—	—	—	—	—	—	—	—
Pugu Road Godown	1972/73	150	—	—	—	—	—	150	—	150
	1973/74	—	—	—	—	—	—	—	—	—
Canning Mill—Dodoma	1972/73	300	—	—	—	—	—	300	—	300
	1973/74	—	—	—	—	—	—	—	—	—
Modernization of Maize Mill—Dar es Salaam	1972/73	500	—	—	—	—	—	500	—	500
	1973/74	—	—	—	—	—	—	—	—	—
Central Workshop and Stores ...	1972/73	760	—	—	—	—	—	760	—	760
	1973/74	—	—	—	—	—	—	—	—	—
Godown Mwanza	1972/73	50	—	—	—	—	—	50	—	50
	1973/74	—	—	—	—	—	—	—	—	—
Sprinkler—Dodoma Maize Mill ...	1972/73	250	—	—	—	—	—	250	—	250
	1973/74	—	—	—	—	—	—	—	—	—
Rice Mill—Mwanza	1972/73	125	—	—	—	—	—	125	—	125
	1973/74	—	—	—	—	—	—	—	—	—
Rice Mill—Dar es Salaam ...	1972/73	1,500	—	—	—	—	—	1,500	—	1,500
	1973/74	—	—	—	—	—	—	—	—	—
Rice Mill—Shinyanga	1972/73	2,500	—	—	—	—	—	2,500	—	2,500
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total N.M.C.	1972/73	26,385	—	10,000	10,000	—	—	16,385	—	16,385
	1973/74	—	—	—	—	—	—	—	—	—

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
TANZANIA SISAL CORPORATION:										
Azimio Ranch	1972/73	236	236	—	236	—	—	—	—	236
	1973/74	—	—	—	—	—	—	—	—	—
Sisal Estates	1972/73	1,100	—	—	—	—	—	1,100	—	1,100
	1973/74	1,100	—	—	—	—	—	1,100	—	1,100
Cattle Coconut—Kange	1972/73	110	110	—	110	—	—	—	—	110
	1973/74	68	68	—	68	—	—	—	—	68
Citrus Orchard	1972/73	90	—	—	—	—	—	90	—	90
	1973/74	—	—	—	—	—	—	—	—	—
Head Office	1972/73	215	—	—	—	—	—	215	—	215
	1973/74	68	—	—	—	—	—	68	—	68
Central Worskhop	1972/73	232	—	—	—	—	—	232	—	232
	1973/74	202	—	—	—	—	—	202	—	202
Ropes and Twine	1972/73	110	—	—	—	—	—	110	—	110
	1973/74	—	—	—	—	—	—	—	—	—
Tea	1972/73	339	—	—	—	—	—	339	—	339
	1973/74	114	—	—	—	—	—	114	—	114
Sub-Total T.S.C.	1972/73	2,432	346	—	346	—	—	2,086	—	2,432
	1973/74	1,552	68	—	68	—	—	1,484	—	1,552
N.A.F.C.O.:										
Shinyanga Meat Plant	1972/73	—	—	—	—	—	—	—	—	—
	1973/74	8,700	3,700	—	3,700	—	5,000	—	—	8,700
Mtibwa Sugar Estate	1972/73	3,864	3,364	—	3,864	—	—	—	—	3,864
	1973/74	—	—	—	—	—	—	—	—	—
Mtibwa Preference Share	1972/73	2,500	2,500	—	2,500	—	—	—	—	2,500
	1973/74	5,500	5,500	—	5,500	—	—	—	—	5,500
Basuto Wheat Scheme	1972/73	1,000	—	—	—	—	—	1,000	—	1,000
	1973/74	—	—	—	—	—	—	—	—	—
Kiru Valley	1972/73	702	—	—	—	—	—	702	—	702
	1973/74	250	—	—	—	—	—	250	—	250
Cold Storage	1972/73	16,575	—	9,525	9,525	—	6,350	—	700	16,575
	1973/74	2,700	2,700	—	2,700	—	—	—	—	2,700

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
Mara Dairy	1972/73	2,088	—	2,088	2,088	—	—	—	—	2,088
	1973/74	100	100	—	100	—	—	—	—	100
Mwananchi Ocean Products ...	1972/73	1,650	250	—	250	—	1,400	—	—	1,650
	1973/74	—	—	—	—	—	—	—	—	—
Lime Products	1972/73	450	50	—	50	—	400	—	—	450
	1973/74	—	—	—	—	—	—	—	—	—
Tanzania Seed Co.	1972/73	860	300	—	300	—	560	—	—	860
	1973/74	1,000	1,000	—	1,000	—	—	—	—	1,000
Pig Processing—Tabora	1972/73	793	—	—	—	—	450	—	343	793
	1973/74	—	—	—	—	—	—	—	—	—
Pre-Investment Studies	1972/73	300	300	—	300	—	—	—	—	300
	1973/74	300	300	—	300	—	—	—	—	300
Kagera Sugar Estate...	1972/73	100	100	—	100	—	—	—	—	100
	1973/74	10,000	10,000	—	10,000	—	—	—	—	10,000
Navy Beans	1972/73	1,800	400	—	400	—	1,200	200	—	1,800
	1973/74	500	500	—	500	—	—	—	—	500
West Kilimanjaro	1972/73	250	—	—	—	—	—	250	—	250
	1973/74	—	—	—	—	—	—	—	—	—
Arusha Plantation	1972/73	60	—	—	—	—	—	—	160	160
	1973/74	—	—	—	—	—	—	—	—	—
Njiamne Plantation	1972/73	2,250	—	—	—	—	1,356	894	—	2,250
	1973/74	—	—	—	—	—	—	—	—	—
Tanganyika Packers	1972/73	3,000	—	—	—	—	3,000	—	—	3,000
	1973/74	8,000	—	3,000	3,000	—	5,000	—	—	8,000
Mbeya Meat Production Plant ...	1972/73	1,400	200	—	200	—	1,200	—	—	1,400
	1973/74	6,800	2,000	—	2,000	—	4,800	—	—	6,800
Livestock Marketing Co.	1972/73	2,490	490	—	490	—	2,000	—	—	2,490
	1973/74	2,475	475	—	475	—	2,000	—	—	2,475
Nyamwezi Creameries	1972/73	250	—	—	—	—	—	250	—	250
	1973/74	—	—	—	—	—	—	—	—	—
Poultry Broiler	1972/73	400	—	—	—	—	—	400	—	400
	1973/74	—	—	—	—	—	—	—	—	—
Oljoro Farms...	1972/73	800	—	—	—	—	—	800	—	800
	1973/74	—	—	—	—	—	—	—	—	—

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
Fruit and Vegetable Exports ...	1972/73	100	100	—	100	—	—	—	—	100
	1973/74	—	—	—	—	—	—	—	—	—
Headquarters	1972/73	1,236	—	—	—	—	—	1,236	—	1,236
	1973/74	—	—	—	—	—	—	—	—	—
Coastal Dairies	1972/73	1,361	—	—	—	—	—	1,361	—	1,361
	1973/74	—	—	—	—	—	—	—	—	—
Northern Dairy	1972/73	1,231	—	—	—	—	—	1,231	—	1,231
	1973/74	—	—	—	—	—	—	—	—	—
N.A.C.O. Headquarters	1972/73	4,409	3,668	587	4,255	—	—	154	—	4,409
	1973/74	7,032	3,362	130	3,492	—	—	3,540	—	7,032
Existing Ranches	1972/73	9,655	185	345	530	—	—	9,125	—	9,655
	1973/74	7,275	—	—	—	—	—	7,275	—	7,275
Dairies	1972/73	897	—	—	—	—	—	897	—	897
	1973/74	338	234	—	234	—	—	104	—	338
Kongwa Pig Unit	1972/73	40	—	—	—	—	—	40	—	40
	1973/74	20	—	—	—	—	—	20	—	20
Ranches Phase Two...	1972/73	5,416	200	—	200	—	5,216	—	—	5,416
	1973/74	12,647	2,025	—	2,025	—	7,275	3,447	—	12,647
Sub-Total N.A.F.C.O.	1972/73	61,839	14,206	12,545	26,751	—	23,382	10,663	—	61,839
	1973/74	73,737	35,146	130	35,276	—	24,075	14,386	—	73,737
TOBACCO AUTHORITY:										
Clean and Cure Plants	1972/73	5,098	—	2,450	2,450	—	—	2,648	—	5,098
	1973/74	6,700	—	—	—	—	—	6,700	—	6,700
Sub-Total Tobacco Authority ...	1972/73	5,098	—	2,450	2,450	—	—	2,648	—	5,098
	1973/74	6,700	—	—	—	—	—	6,700	—	6,700
TANZANIA TEA AUTHORITY:										
Nursery Development	1972/73	7,500	—	—	—	—	5,200	2,300	—	7,500
	1973/74	—	—	—	—	—	—	—	—	—
Tea Factories	1972/73	4,108	44	—	44	—	—	4,002	62	4,108
	1973/74	1,009	43	—	43	—	1,056	—	—	1,099

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
Green leaf Tea Transport	1972/73	1,745	575	878	1,453	—	50	—	241	1,745
	1973/74	948	802	146	948	—	—	—	—	948
Tea Development Extension Costs...	1972/73	356	44	249	293	—	—	—	63	356
	1973/74	—	—	—	—	—	—	—	—	—
Administration and Corporation Costs	1972/73	3,877	1,861	360	2,221	—	826	—	830	3,877
	1973/74	4,001	2,797	378	3,175	—	821	—	—	400,1
Tea Research and Development ...	1972/73	1,545	1,063	—	1,063	—	—	—	482	1,545
	1973/74	1,325	1,325	—	1,325	—	—	—	—	1,325
Feasibility Studies	1972/73	950	665	—	665	—	—	—	285	950
	1973/74	—	—	—	—	—	—	—	—	—
Extension Training	1972/73	800	177	560	737	—	—	—	63	800
	1973/74	—	—	—	—	—	—	—	—	—
Extension Operating Costs ...	1972/73	604	430	—	430	—	—	—	174	604
	1973/74	604	604	—	604	—	—	—	—	604
Administration Operating Costs ...	1972/73	2,001	1,351	—	1,351	—	—	—	650	2,001
	1973/74	2,088	2,088	—	2,088	—	—	—	—	2,088
Geen Leaf Transport—Dv. Costs ...	1972/73	1,481	553	—	553	—	—	—	247	1,481
	1973/74	1,655	800	—	800	—	855	—	—	1,655
Research Operating Costs	1972/73	668	460	—	460	—	—	—	208	668
	1973/74	927	927	—	927	—	—	—	—	927
Training Operating Costs	1972/73	400	276	—	276	—	—	—	124	400
	1973/74	400	400	—	400	—	—	—	—	400
Factories Operational Costs ...	1972/73	12,529	—	—	—	—	—	12,529	—	12,529
	1973/74	15,761	—	—	—	—	—	15,761	—	15,761
Sub-Total Tea Authority	1972/73	38,564	7,499	2,047	9,546	—	6,076	18,781	3,429	38,564
	1973/74	28,808	9,786	524	10,310	—	2,732	15,761	—	28,808
NATIONAL DEVELOPMENT CORPORATION:										
Mtwara Cashew Co.	1972/73	2,700	1,000	—	1,000	1,000	—	—	700	2,700
	1973/74	6,000	—	—	—	—	—	—	6,000	6,000
Gemstone Mining	1972/73	3,500	1,500	—	1,500	—	2,000	—	—	3,500
	1973/74	1,500	—	—	—	—	1,500	—	—	1,500

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
Tasini/Kiltex Merger	1972/73	9,000	—	7,000	7,000	—	—	—	2,000	9,000
	1973/74	—	—	—	—	—	—	—	—	—
Natex	1972/73	6,000	—	—	—	—	—	6,000	—	6,000
	1973/74	—	—	—	—	—	—	—	—	—
Cashew Machines	1972/73	400	400	—	400	—	—	—	—	400
	1973/74	—	—	—	—	—	—	—	—	—
Bicycle Tyres and Tubes	1972/73	100	—	—	—	—	—	100	—	100
	1973/74	—	—	—	—	—	—	—	—	—
Lorry Assembly Plant	1972/73	95	—	—	—	—	—	95	—	95
	1973/74	—	—	—	—	—	—	—	—	—
Asbestos Pipes and Sheets	1972/73	99	—	—	—	—	—	99	—	99
	1973/74	—	—	—	—	—	—	—	—	—
Phospate Mining	1972/73	300	—	—	—	—	—	300	—	300
	1973/74	—	—	—	—	—	—	—	—	—
Batteries	1972/73	100	—	—	—	—	—	100	—	100
	1973/74	—	—	—	—	—	—	—	—	—
Steel Diversitication (T.I.B./N.D.C.)**	1972/73	800	—	—	—	—	—	—	800	800
	1973/74	10,800	—	—	—	—	5,000	2,000	3,800	10,800
Kibo Paper (T.I.B./N.D.C.)** ...	1972/73	4,220	—	—	—	—	1,500	500	2,220	4,220
	1973/74	480	—	—	—	—	—	—	480	480
Magnesite (T.I.B./N.D.C.)** ...	1972/73	5,400	—	—	—	—	—	—	5,400	5,400
	1973/74	12,700	—	—	—	—	2,700	—	10,000	12,700
Sub-Total N.D.C.	1972/73	32.714	2,900	7,000	9,900	1,000	3,500	7,194	11,100	32,714
	1973/74	31,480	—	—	—	—	9,200	2,000	20,280	31,480
National Small Industries Corporation:										
Workshop Bukoba*...	1972/73	296*	340	—	340	—	—	—	—	340
	1973/74	28	28	—	28	—	—	—	—	28
Ruralottery Project*	1972/73	293	303	—	303	—	—	—	—	303
	1973/74	34	34	—	34	—	—	—	—	34

**These projects are expected to receive equity financing through T.I.B. They have not yet been approved by T.I.B., and must receive such approval before they will be funded.

CONSOLIDATED PARAPTATAL PROGRAMME PUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources.
			Local	External	Total					
Workshop Shinyanga*	1972/73	5	—	—	—	—	—	—	—	—
	1973/74	490	500	—	500	—	—	—	—	500
Headquarters	1972/73	77	77	—	77	—	—	—	—	77
	1973/74	50	50	—	50	—	—	—	—	50
Rural Dev. Agency	1972/73	—	—	—	—	—	—	—	—	—
	1973/74	40	40	—	40	—	—	—	—	40
Hire and Purchase of Machines* ...	1972/73	90	—	—	—	—	—	—	—	—
	1973/74	—	—	—	—	—	—	—	—	—
Share Capital Participation* ...	1972/73	84	—	—	—	—	—	—	—	—
	1973/74	—	—	—	—	—	—	—	—	—
Industrial Workshop—Kisarawe Street	1972/73	180	180	—	180	—	—	—	—	180
	1973/74	—	—	—	—	—	—	—	—	—
Industrial Workshop—Igalula* ...	1972/73	293	61	—	61	—	—	—	—	61
	1973/74	28	28	—	28	—	—	—	—	28
Industrial Workshop—Dodoma* ...	1972/73	135	219	—	219	—	—	—	—	219
	1973/74	21	21	—	21	—	—	—	—	21
Industrial Workshop—Njombe ...	1972/73	330	117	—	117	—	—	—	—	117
	1973/74	28	28	—	28	—	—	—	—	28
Industrial Workshop—Morogoro*...	1972/73	5	—	—	—	—	—	—	—	—
	1973/74	540	560	—	560	—	—	—	—	560
Industrial Workshop—Arusha* ...	1972/73	5	—	—	—	—	—	—	—	—
	1973/74	736	746	—	746	—	—	—	—	746
Reorg. Mwanza Dev. School* ...	1972/73	10	—	—	—	—	—	—	—	—
	1973/74	400	410	—	410	—	—	—	—	410
Industrial Workshop—Tanga* ...	1972/73	5	—	—	—	—	—	—	—	—
	1973/74	736	746	—	746	—	—	—	—	746
Industrial Workshop—Songea* ...	1972/73	5	—	—	—	—	—	—	—	—
	1973/74	520	530	—	530	—	—	—	—	530
Industrial Estate—Dar es Salaam*...	1972/73	1,950	—	—	—	—	—	—	—	—
	1973/74	750	750	—	750	—	—	—	—	750
N.S.I.C. Ltd.,—Songea*	1972/73	114	12	—	12	—	—	—	—	12
	1973/74	28	28	—	28	—	—	—	—	28
Sub-Total N.S.I.C.	1972/73	3,877	1,309	—	1,309	—	—	—	—	—
	1973/74	4,429	4,499	—	1,499	—	—	—	—	4,449

*The timing of financial arrangements is such that total investments in any one year do not necessarily equal total sources of funds.

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
National Transport Co.:										
Dar es Salaam Motor Co.* ...	1972/73	—	—	—	—	—	7,500	—	—	7,500
	1973/74	—	—	—	—	—	—	—	—	—
Coastal Shipping Lines	1972/73	—	—	—	—	—	—	—	—	—
	1973/74	10,000	—	10,000	10,000	—	—	—	—	10,000
Sub-Total N.T.C.	1972/73	—	—	—	—	—	7,500	—	—	7,500
	1973/74	10,000	—	10,000	10,000	—	—	—	—	10,000
Tazara:										
Counterpart†	1972/73	386,000†	193,000	—	193,000	—	—	—	193,000†	386,000
	1973/74	400,000†	200,000	—	200,000	—	—	—	200,000†	400,000
Administration	1972/73	12,500	6,250	—	6,250	—	—	—	6,250†	12,500
	1973/74	19,000	9,000	—	9,000	—	—	1,000	9,000*	19,000
Sub-Total TAZARA	1972/73	398,500	199,250	—	199,250	—	—	—	199,250	398,500
	1973/74	419,000	209,000	—	209,000	—	—	1,000	209,000	419,000
M.E.C.C.O.:										
Equipment	1972/73	4,000	—	4,000	4,000	—	—	—	—	4,000
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total M.E.C.C.O.	1972/73	4,000	—	4,000	4,000	—	—	—	—	4,000
	1973/74	—	—	—	—	—	—	—	—	—
N.E.D.C.O.:										
Vehicles}	1972/73	80	—	—	—	—	—	80	—	80
	1973/74	—	—	—	—	—	—	—	—	—
Office Expansion	1972/73	350	—	—	—	—	—	350	—	350
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total N.E.D.C.O.	1972/73	430	—	—	—	—	—	430	—	430
	1973/74	—	—	—	—	—	—	—	—	—

*The buses were acquired in 1971/72 on a short-term suppliers credit which will be replaced by a larger term T.I.B. loan.

†Excludes Chinese direct aid.

‡Zambia Contribution.

CONSOLIDATED PARAPTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
National Housing Corporation										
Low Cost Housing	1972/73	2,500	2,500	—	2,500	—	—	—	—	2,500
	1973/74	5,000	5,000	—	5,000	—	—	—	—	5,000
Sub-Total N.H.C.	1972/73	2,500	2,500	—	2,500	—	—	—	—	2,500
	1973/74	5,000	5,000	—	5,000	—	—	—	—	5,000
National Parks										
Development of Existing Parks ...	1972/73	4,340	1,500	2,840	4,340	—	—	—	—	4,340
	1973/74	4,500	1,500	3,000	4,500	—	—	—	—	4,500
Mount Kilimanjaro Park	1972/73	2,100	100	2,000	2,100	—	—	—	—	2,100
	1973/74	3,300	300	3,000	3,300	—	—	—	—	3,300
Southern Parks	1972/73	—	—	—	—	—	—	—	—	—
	1973/74	300	300	—	300	—	—	—	—	300
Sub-Total National Parks	1972/73	6,440	1,600	4,840	6,440	—	—	—	—	6,440
	1973/74	8,100	2,100	6,000	8,100	—	—	—	—	8,100
Tanzania Tourist Corporation:										
Mount Meru Hotel*	1972/73	14,200	—	6,380	6,380	4,100	17,000	—	4,000	31,380
	1973/74	16,200	—	—	—	—	—	—	2,120	2,120
Serengeti Safari Lodges*	1972/73	3,150	2,600	—	2,600	—	—	—	—	2,600
	1973/74	—	—	—	—	—	—	—	—	—
Seafaris Ltd.*	1972/73	—	500	—	500	—	—	—	—	500
	1973/74	—	—	—	—	—	—	—	—	—
Tanzania Tours Ltd.*	1972/73	1,066	—	—	—	—	—	273	—	273
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total T.T.C.*	1972/73	18,416	31,000	6,380	9,480	4,100	17,000	273	4,000	34,753
	1973/74	16,200	—	—	—	—	—	—	2,120	2,120

*The timing of financial arrangements is such that total investments in any one year do not necessarily equal total sources of funds.

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
TANZANIA WOOD INDUSTRY CORPORATION:										
Fibreboard Co. Arusha	1972/73	5,300	4,300	—	4,300	6,000	7,000	—	—	17,300*
	1973/74	—	—	—	—	—	—	—	—	—
Kilwa Sawmill	1972/73	2,146	1,546	—	1,546	—	600	—	—	2,146
	1973/74	—	—	—	—	—	—	—	—	—
Imara Plywood	1972/73	700	700	—	700	—	—	—	—	700
	1973/74	—	—	—	—	—	—	—	—	—
Tabora Msitu Products	1972/73	650	—	—	—	—	650	—	—	650
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total T.W.I.C.O.	1972/73	8,796	6,546	—	6,546	6,000	8,250	—	—	20,796
	1973/74	—	—	—	—	—	—	—	—	—
TANESCO:										
Kidatu	1972/73	131,095	40,000	92,750	132,750	—	—	—	—	132,750
	1973/74	109,217	40,000	75,927	115,927	—	—	—	—	115,927
Marangu and Himo Supply ...	1972/73	315	—	—	—	—	—	315	—	315
	1973/74	—	—	—	—	—	—	—	—	—
Hale Tanga Trans. Line	1972/73	1,685	—	—	—	—	—	1,685	—	1,685
	1973/74	1,315	—	—	—	—	—	1,315	—	1,315
Kwira Feasibility Study	1972/73	5,680	—	3,180	3,180	—	—	2,500	—	5,680
	1973/74	10,519	—	6,074	6,074	—	—	4,445	—	10,519
Hale Kikuletwa†	1972/73	7,212	3,471	4,226	7,697	—	—	—	—	7,697
	1973/74	13,433	7,947	5,486	13,433	—	—	—	—	13,433
Minor Ht./LT. Additions	1972/73	12,855	—	8,777	8,777	—	—	4,078	—	12,855
	1973/74	13,961	—	8,526	8,526	—	—	5,435	—	13,961
Sub-Total TANESCO	1972/73	158,842†	43,471	108,913	152,404	—	—	8,578	—	160,982†
	1973/74	148,445†	47,947	96,013	143,960	—	—	11,195	—	155,155

*The Timing of financial arrangements is such that total investments in one year do not necessarily equal total sources of funds.

†Because total investment in 1971/72 exceeded available funds and had to be financed out of working capital in 1972/73 and 1973/74, total investment

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 Shillins)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
TANZANIA INVESTMENT BANK:										
Mt. Meru Danish Loan*	1972/73	17,530	—	10,030	10,030	—	—	7,500	—	17,530
	1973/74	—	—	—	—	—	—	—	—	—
Cold Storage Loan*	1972/73	6,350	—	6,350	6,350	—	—	—	—	6,350
	1973/74	—	—	—	—	—	—	—	—	—
Swedish Mtibwa Estate Loan* ...	1972/73	7,000	—	7,000	7,000	—	—	—	—	7,000
	1973/74	—	—	—	—	—	—	—	—	—
Canadian Credit*	1972/73	7,000	—	7,000	7,000	—	—	—	—	7,000
	1973/74	—	—	—	—	—	—	—	—	—
Japanese Credit*	1972/73	1,000	—	1,000	1,000	—	—	—	—	1,000
	1973/74	—	—	—	—	—	—	—	—	—
Office Equipment	1972/73	100	—	—	—	—	—	100	—	100
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total—T.I.B.	1972/73	38,980	—	31,380	31,380	—	—	7,600	—	38,980
	1973/74	—	—	—	—	—	—	—	—	—
N.B.C.:										
Buildings	1972/73	5,321	—	—	—	—	—	5,321	—	5,321
	1973/74	8,825	—	—	—	—	—	8,825	—	8,825
Sub-Total N.B.C.	1972/73	5,321	—	—	—	—	—	5,321	—	5,321
	1973/74	8,825	—	—	—	—	—	8,825	—	8,825
BANK OF TANZANIA:										
Strongroom—Mtwara	1972/73	555	—	—	—	—	—	555	—	555
	1973/74	—	—	—	—	—	—	—	—	—
Office—Resid. Arusha	1972/73	1,500	—	—	—	—	—	1,500	—	1,500
	1973/74	2,300	—	—	—	—	—	2,300	—	2,300
Office—Res.—Mwanza	1972/73	500	—	—	—	—	—	500	—	500
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total—Bank of Tanzania ...	1972/73	2,555	—	—	—	—	—	2,555	—	2,300
	1973/74	2,300	2,300	—	—	—	—	2,300	—	2,300

*These loans are to be on-lent to other parastatals where they are recorded as local borrowing, and therefore should not be added here as investment order to avoid double counting.

CONSOLIDATED PARASTATAL PROGRAMME SUMMARY TABLE 1972/74: CAPITAL EXPENDITURE AND SOURCES OF FUNDS—*contd.*

(In '000 shillings)

Name		Investment	Sources of Funds							
			Development Budget			For Investment	Local Borrowing	Own Funds	Other	Total Sources
			Local	External	Total					
National Insurance Corp.:										
Investment House	1972/73	3,321	—	—	—	—	—	3,321	—	3,321
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total—National Insurance Corp.	1972/73	3,321	—	—	—	—	—	3,321	—	3,321
	1973/74	—	—	—	—	—	—	—	—	—
Tanzania Rural Development Bank:										
Tea Small-holders*	1972/73	16,579	5,459	11,120	16,579	—	—	—	—	16,579
	1973/74	22,510	9,325	13,185	22,510	—	—	—	—	22,510
General Loans	1972/73	4,000	—	4,000	4,000	—	—	—	—	4,000
	1973/74	—	—	—	—	—	—	—	—	—
Tobacco Loan*	1972/73	5,634	—	5,634	5,634	—	—	—	—	5,634
	1973/74	5,634	—	5,634	5,634	—	—	—	—	5,634
Capital Expenditure	1972/73	1,120	—	—	—	—	—	1,120	—	1,120
	1973/74	—	—	—	—	—	—	—	—	—
Storage Loan*	1972/73	2,400	—	2,400	2,400	—	—	—	—	2,400
	1973/74	—	—	—	—	—	—	—	—	—
Livestock Loan*	1972/73	11,098	800	10,298	11,098	—	—	—	—	11,098
	1973/74	25,518	5,124	20,394	25,518	—	—	—	—	25,518
Sub-Total T.R.D.B.	1972/73	40,831	6,259	33,452	39,711	—	—	1,120	—	40,831
	1973/74	53,662	14,449	39,213	53,662	—	—	—	—	53,662
Permanent Housing Finance:										
Staff House	1972/73	40	—	—	—	—	—	40	—	40
	1973/74	—	—	—	—	—	—	—	—	—
Vehicles	1972/73	20	—	—	—	—	—	20	—	20
	1973/74	—	—	—	—	—	—	—	—	—
Equipment	1972/73	100	—	—	—	—	—	100	—	100
	1973/74	—	—	—	—	—	—	—	—	—
Sub-Total P.H.F.C.	1972/73	160	—	—	—	—	—	160	—	160
	1973/74	—	—	—	—	—	—	—	—	—

*These loans are to be on-lent to other parastatals when they are recorded as local borrowing and therefore should not be added here as investment in order to avoid double counting.

GLOSSARY

MINISTRY/PARASTATAL:	*Telegraphic Address Abbreviation Used in the Text*
1. Central Establishment Division	ESTABS.
2. Prime Minister's Office	P.M.O.
3. Ministry of Foreign Affairs	FOREIGN.
4. Ministry of Agriculture and Co-operatives	KILIMO.
(a) The National Agricultural Products Board	NAPB.
(b) The National Milling Corporation	NMC.
(c) The Tanzania Sisal Corporation	TSC.
(d) The National Agricultural and Food Corporation ...	NAFCO.
(e) Tanzania Tobacco Board	TTB.
(f Tanzania Pyrethrum Board	TPB.
(g) Tanzania Coffee Board	TCB.
(h) Tanzania Tea Authority	TTA.
(i) The National Sugar Board	NSB.
(j) The Lint and Seed Marketing Board	LSMB.
5. Ministry of Economic Affairs and Development Planning ...	DEVPLAN.
6. Ministry of National Education	ELIMU (EDUCATION).
7. Ministry of Commerce and Industries...	MINCOM.
(a) National Development Corporation	NDC.
(b) The State Trading Corporation	STC.
(c) National Small Industries, Corporation	NSIC.
8. Ministry of Communications and Transport ...	(MAWASILIANO) COMWORKS.
(a) National Provident Fund	NPF.
(b) National Transport Corporations	NTC.
(c) National Road Haulage Company	NRHC.
(d) Mwananchi Engineering and Construction Company Ltd.	MECCO.
(e) National Estates and DesignCompany	NEDCO.
9. Ministry of Lands, Housing and Urban Development ...	ARDHI (LANDSURVEY)
(a) National Housing Corporation	NHC.
10. Ministry of Home Affairs	HOME AFFAIRS.
11. Ministry of Health	AFYA (HEALTH)
12. Ministry of Information and Broadcasting	MAELEZO.
13. Ministry of Finance	TREASURY.
(a) National Bank of Commerce	NBC.
(b) National Insurance Corporation	NIC.
(c) Tanzania Rural Development Bank	TRDB.
(d) Tanzania Investment Bank	TIB.
(e) Permanent Housing Finance Company of Tanzania Ltd.	PHFC.
(f) Tanzania Development Finance Company Ltd. ...	TDFL.

14. Ministry of Natural Resources and Tourism ... ... MALIASILI.
    (a) Tanzania Tourist Corporation ... ... TTC.
    (b) Tanzania Wood Industries Corporation ... ... TWICO.
    (c) National Parks ... ... PARKS.
15. Ministry of Water Development and Power ... ... MAJI.
    (a) Tanzania Electricity Supply Company Ltd. ... ... TANESCO.
16. Ministry of Labour and Social Welfare ... ... LABOUR.

MULTI-NATIONAL PARASTATALS:

1. East African Community ... ... EAC.
2. East African Development Bank ... ... EADB.
3. East African Harbours Corporation ... ... EAHC.
4. Eastern Africa National Shipping Line ... ... EANSL.
5. Eastern Africa Railways Corporation ... ... EARC.
6. East African Posts and Telecommunications ... ... EAP. & T.
7. Tanzania Zambia Railway Authority ... ... TAZARA.

INTERNATIONAL ORGANIZATIONS:

1. International Bank for Reconstruction and Development (World Bank) ... ... IBRD.
2. Swedish International Development Agency ... ... SIDA.
3. International Development Association ... ... IDA.